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THE
LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

Volume IV, 1934

(2nd April to 14th April, 1934)

SEVENTH SESSION

OF THE

**FOURTH LEGISLATIVE ASSEMBLY,
1934**



**NEW DELHI
GOVERNMENT OF INDIA
1934**



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Legislative Assembly.

President:

THE HONOURABLE SIR SHANMUKHAM CHETTY, K.C.I.E.

Deputy President:

MR. ABDUL MATIN CHAUDHURY, M.L.A.

Panel of Chairmen:

SIR ABDUR RAHIM, K.C.S.I., KT., M.L.A.

MR. K. C. NEOGY, M.L.A.

SIR LESLIE HUDSON, KT., M.L.A.

MR. N. M. JOSHI, M.L.A.

Secretary:

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

Assistant of the Secretary:

RAI BAHADUR D. DUTT.

Marshal:

CAPTAIN HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.

Committee on Public Petitions:

MR. ABDUL MATIN CHAUDHURY, M.L.A., Chairman.

MR. K. C. NEOGY, M.L.A.

SIR HARI SINGH GOUR, KT., M.L.A.

MR. T. R. PHOOKUN, M.L.A.

MR. MUHAMMAD YAMIN KHAN, C.I.E., M.L.A.

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LEGISLATIVE ASSEMBLY.

Monday, 2nd April, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shaumukham Phetty) in the Chair.

MEMBERS SWORN.

Mr. Bertrand James Glancy, C.S.I., C.I.E., M.L.A. (Political Secretary); and

Mr. Gavarpet Krishnaswami Seshadri Sarma, M.L.A. (Government of India: Nominated Official):

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Harry Haig (Home Member): Sir, I lay on the table a statement giving the information promised in reply to Sardar Sant Singh's starred question No. 299 on the 26th February, 1934.

RECRUITMENT OF SIKHS IN THE GOVERNMENT OF INDIA SECRETARIAT.

*299. (b) One Sikh Assistant is employed in a temporary capacity in the Department of Industries and Labour. There are no Sikh Assistants in the other Departments mentioned by the Honourable Member. No proportions have been laid down for the recruitment of particular communities.

(c) The information asked for is contained in the following statement:

Department.	Temporary appointments.	Officiating appointments.	Permanent appointments.
Army	Nil	During the last 5 years two second division clerks, one of whom was a Sikh, officiated as assistant on various occasions.	Nil.
Legislative	1	Nil	6 (4 filled by promotion).
Commerce	11	12	15* *This figure includes 3 officiating and 8 temporary appointments in preceding columns which were subsequently made permanent.
Industries and Labour (excluding P. W. Branch).	1†	11	5

†Held by a Sikh.

(d) The Honourable Member's attention is invited to the replies given in this House to Sirdar Harbans Singh Brar's question No. 1133, on the 25th March, 1931, and to parts (e) and (f) of his question No. 443 on the 22nd February, 1932. Government pay due regard to the claims of minority communities including Sikhs whenever appointments are made in any Department by direct recruitment to the Assistant's grade.

The Honourable Sir Joseph Bhoré (Member for Commerce and Railways): Sir, I lay on the table the information promised in reply to starred question No. 337 asked by Maulvi Sayyid Murtuza Salub Baidur on the 3rd March, 1934.

GRIEVANCES OF DECK PASSENGERS ON BRITISH INDIA STEAM NAVIGATION COMPANY'S VESSELS PLYING BETWEEN BOMBAY AND DURBAN.

*337. (b) No urinal is provided for deck passengers, but there is ample latrine accommodation on the steamships "Tairea" and "Takliwa", which is required to be provided under the law.

(c) No. Three fresh water taps are provided on each of the above-mentioned ships for passengers using the upper deck.

(d) The Government of India understand that when the vessels call at certain intermediate ports the upper deck awnings are furled for working cargo, but that shelter from the weather is available for such of the deck passengers as remain on board.

(e) The "Tairea" and the "Takliwa" are visited by an officer of the Mercantile Marine Department every time they call at Bombay.

(f) Government are considering whether conditions could be further improved in some of the directions referred to in the question.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I lay on the table the information promised in reply to Mr. D. K. Lahiri Chaudhury's starred question No. 280 in the Legislative Assembly on the 26th February, 1934.

PAYMENT MADE TO CERTAIN NAVIGATION COMPANIES FOR CARRIAGE OF MAILS BETWEEN CERTAIN PORTS.

*280. (a) (i) The total amount of sea transit charges credited to the British Post Office in respect of parcels sent from India by the Steamers of the Peninsular and Oriental Steam Navigation Company during the year 1932-33 was £9,118-8-2.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands): Sir, I lay on the table the information promised in reply to supplementary questions to starred question No. 1310, asked by Mr. M. Maswood Ahmad, on the 7th December, 1933, and the information promised with reference to the replies to questions Nos. 494, 495, 496, and to Nos. 533 and 534 asked by the same Member.

EXPORT DUTY ON RICE.

*1310. An account of the research schemes designed to increase the efficiency of rice production in India is contained in Appendices XV and V to the proceedings of the meetings of the Advisory Board of the Imperial Council of Agricultural Research, held in June, 1930, and January, 1931, respectively, which are available in the

library of the Legislature. Annual progress reports on the work done on these schemes are also being printed in the proceedings of the meetings of the Advisory Board held in August, 1933 and February, 1934. Copies will be placed in the library of the Legislature as soon as they are available.

2. The question as to the factors which have contributed to the displacement of Indian rice in foreign markets has been examined in the annual reports on the work of the Indian Trade Commissioners in England and Germany during 1930-31 and 1931-32. They are available in the library of the Legislature. It may be noted that there has been a remarkable increase in the amount of Indian rice exported to the United Kingdom from 42,635 tons in 1931 to 2,74,902 tons in 1933.

PROVISION OF CHAIRS IN THE OFFICE OF THE PROTECTOR OF PILGRIMS,
BOMBAY.

*494. (a) No.

(b) Does not arise.

LATE OPENING OF THE DOOR OF THE PILGRIM SHIP "JEHANGIR".

*495. Presumably the reference is to the door of the shed leading to the wharf. If so, the answer is in the negative.

ALLEGED BEATING OF HAJ PILGRIMS BY A EUROPEAN AT BOMBAY.

*496. Enquiries have been made and it has been found that the allegation is false.

DECK PASSENGERS ON THE PILGRIM SHIP "JEHANGIR".

*533. 385 deck passengers.

LATRINES IN THE PILGRIM SHIP "JEHANGIR".

*534. 4 latrines with 39 seats.

Mr. G. R. F. Tottenham (Army Secretary): Sir, I lay on the table the information promised in reply to unstarred question No. 328 asked by Mr. Jog on the 14th December, 1933, the information promised in reply to unstarred question No. 67, asked by Khan Bahadur Haji Wajihuddin, on the 19th February, 1934, the information promised in reply to parts (b), (e) and (f) of unstarred question No. 73, asked by Khan Bahadur Haji Wajihuddin, on the 19th February, 1934, and also the information promised in reply to unstarred question No. 179, asked by Mr. S. G. Jog, on the 10th March, 1934.

GRANT OF DISABILITY PENSION TO CERTAIN PERSONS INVALIDED DURING THE
GREAT WAR.

328. (a) Yes.

(b) Because the certificate which was given some 11 years after the death occurred, was based on the presumption that the man died of the disability on account of which he was invalided from Mesopotamia. There is no evidence to support this presumption. In fact the evidence available goes to show that the man was invalided to India from Basra on the 22nd September, 1916, suffering from Scurvy, while he

was admitted to hospital in India on the 13th January, 1919, for Pneumonia, i.e., 27 months after his return from field service.

(c), (d) and (e). There is no principle of the kind referred to. Each case is decided on its merits,

(f) No.

(g) *1st part*.—The decision had nothing to do with the fact that the disease happened to be Pneumonia. It was based on the grounds explained in the answer to part (b).

2nd part.—Yes.

(h) It is not a fact that no death from Pneumonia has been held to be attributable to military service.

DEMOLITION OF ALLEGED ENCROACHMENTS OR UNAUTHORISED CONSTRUCTIONS BY THE EXECUTIVE OFFICER, AMBALA CANTONMENT BOARD.

67. (a) The answer is in the affirmative.

(b) Only in emergent cases.

(c) There has been no disregard of the law or of the instructions issued by the Northern Command.

NOTICES SERVED UNDER CERTAIN SECTIONS OF THE CANTONMENTS ACT BY THE EXECUTIVE OFFICERS.

73. (b) The answer is in the negative. The Ambala Cantonment Board passed a resolution authorising the Executive Officer to demolish all encroachments. This resolution was obviously not in accordance with the provisions of the Cantonments Act and it was vetoed by the General Officer Commanding-in-Chief, Northern Command.

(c) and (f). Section 25 of the Cantonments Act is intended to be used in emergent cases and Government have no reason to believe that it has been used incorrectly. They do not propose to take any action in the matter.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

179. (a) No instructions have been issued to the Pension Controller to act in the manner stated, nor have Government any reason to believe that he is acting in that manner on his own initiative. In the particular case referred to in part (a) of the Honourable Member's question, No. 327 dated the 14th December, 1933, Government have already discharged the onus resting on them under recommendation No. XII by bringing the man before a medical board and proving that he is physically sound and suffering from no disability whatsoever. A discharge on "medical grounds" as recorded in discharge certificates would not necessarily imply or prove that the cause of discharge was a disability contracted on and or attributable to field service.

(b) The Honourable Member is apparently referring to the category of cases where medical boards, held to adjudicate on claims to pension, have found the individuals concerned to be suffering from no disability whatever. If a man is suffering from no disability, no disability pension is admissible, and the question of making any adverse presumption does not arise.

(c) In the absence of any evidence whatever, not necessarily from Government records only, obviously recommendation No. XIII cannot apply. Government must protect themselves against exploitation and cannot grant a pension for the mere asking. From the cases so far dealt with by them they are satisfied that reasonable evidence can usually be produced in cases held to be *bond fide* ones.

Mr. P. R. Rau (Financial Commissioner, Railways): Sir, I lay on the table the information promised in reply to starred question No. 161, asked by Dr. Ziauddin Ahmad, on the 19th February, 1934, and also the information promised in reply to starred questions Nos. 402 and 404, asked by Lala Rameshwar Prasad Bagla, on the 7th March, 1934.

CIRCULAR ABOUT THE SICK REPORT OF THE TRAVELLING TICKET EXAMINERS.

*161. (a) A copy of the circular referred to has been forwarded to the Railway Board by the Agent, East Indian Railway, who reports that the intention of the circular was to warn staff to report sick immediately they are taken ill and not to wait till they were warned for duty.

(b) No.

(c) The circular was issued on the responsibility and over the signature of the Assistant Superintendent, Staff.

WORKING OF STAFF IN THE CRACKED HEAD OFFICE BUILDING AT JAMALPUR.

*402. The reply to the first part of the Question is in the affirmative, but the Agent of the East Indian Railway has reported that the building has been used only after it had been thoroughly examined by responsible officers of the Engineering Department and reported on as being quite safe. I am informed that no earthquake tremors have been noticed at Jamalpur for a considerable time.

WATER CONNECTIONS AND LIGHTS GIVEN TO THE TEMPORARY COLONIES OF WORKERS AT JAMALPUR.

*404. The reply to the first part of the Question is in the affirmative, and the second part does not therefore arise.

ELECTION OF THE STANDING COMMITTEE ON EMIGRATION.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands): Sir, I beg to move:

"That this Assembly do proceed to elect in such manner, as the Honourable the President may direct, eight non-official Members to sit on the Standing Committee on Emigration."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That this Assembly do proceed to elect in such manner, as the Honourable the President may direct, eight non-official Members to sit on the Standing Committee on Emigration."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): I may inform Honourable Members that for the purpose of election of members to the Standing Committee on Emigration, the Assembly Office will be

[Mr. President.]

open to receive nominations upto 12 Noon on Saturday, the 7th April, and that the election, if necessary, will, as usual, be held in the Secretary's Room on Tuesday, the 10th April, 1934. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE INDIAN TARIFF (TEXTILE PROTECTION) AMENDMENT BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir Joseph Bhoré (Member for Commerce and Railways): Sir, I beg to present the report of the Select Committee on the Bill further to amend the Indian Tariff Act, 1894, for certain purposes.

THE SUGAR (EXCISE DUTY) BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the motion* moved by the Honourable Sir George Schuster on the 29th March, 1934, and the amendment† moved thereon by Mr. M. Maswood Ahmad.

Lala Hari Raj Swarup (United Provinces: Landholders): Sir, I stand here to oppose the Bill, the consideration of which has been moved by the Honourable Sir George Schuster. Sir George Schuster, in his speech in making his motion for reference to Select Committee, referred to the propaganda carried on in the press and on the platform against the proposed excise duty. In the course of his speech, he also said that his desire to fight had been immensely increased by the propaganda that was carried on. He also referred to the large number of telegrams received by him as well as to the representations submitted to him by the industry. So far as the representations from the industry are concerned, I do not find that there is anything in them to excite his desire to fight, and, before doing so, he should know against what he is fighting. He is fighting against an industry which was granted protection by this House only two years ago. The industry has hardly had time to organise itself, and Sir George Schuster has shown his desire to fight against this infant industry.

*"That the Bill to provide for the imposition and collection of an excise duty on sugar be referred to a Select Committee consisting of Diwan Bahadur A. Ramaswami Mudaliar, Mr. S. C. Mitra, Mr. Muhammad Azhar Ali, Seth Haji Abdoola Haroon, Lala Hari Raj Swarup, Mr. Jagan Nath Aggarwal, Mr. Bhuput Singh, Lala Rameshwar Prasad Bagla, Mr. R. S. Sarma, Mr. A. Das, Bhai Parma Nand, Mr. C. S. Ranga Iyer, Mr. F. E. James, Mr. G. Morgan, Nawab Major Malik Talib Mehdi Khan, Sirdar Nihal Singh, Major Nawab Ahmad Nawaz Khan, Mr. G. S. Bajpai, Mr. G. S. Hardy, and the Mover, with instructions to report within seven days, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

†"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st of August, 1934."

Sir, in the course of his speech he cleverly avoided making any reference to the Resolutions unanimously passed by practically all the Provincial Legislative Councils. These Resolutions, Sir, cannot be said to have been invoked by any party feeling or by any persons interested in the manufacture of sugar. These Councils, Sir, as you know, consist of representatives of growers, of consumers, of landlords, tenants, industry and commerce, and these Councils have unanimously passed resolutions condemning this excise duty as opposed to the interests of the grower, the consumer and the producer. I thought that at least these Resolutions of the Provincial Councils would teach some moderation to my Honourable friend, Sir George Schuster, because he delivered to us such a strong sermon on the ethics of moderation on Thursday last. Is it any immoderation on our part to come to this House and say that we only want what was promised to us by this House? We do not want anything more, and will refer to this in a later part of my speech. It is, Sir, rather immoderation on the part of Sir George Schuster as he desires to fight against an infant industry.

Sir George Schuster delivered two speeches on this measure, one while introducing the Budget and the other while making the motion for reference of the Bill to Select Committee. If one goes carefully through his speeches, one hardly finds any facts and figures to show that sugar manufacturers are making the so-called 100 per cent, 200 per cent or 400 per cent profit. He based his arguments merely on hearsay evidence of persons like Mr. Mody, who may be an expert on textiles, who may be an expert in diversion of trade from Bombay to Kathiawar, but who certainly cannot be an expert on sugar. Sir, when Mr. Mody told Sir George Schuster that his share of the Belapur Sugar Factory at one time fetched only two rupees and that it now stands at Rs. 186, Mr. Mody should also have told him on the same breath that the Belapur Sugar Factory was established about 6 or 17 years ago with a capital of about 40 lakhs. For the first 10 or 12 years, the Company did not pay a single pie of dividend to the shareholders, with the result that half of its capital had to be written off, and no wonder that the value of the shares went down to Rs. 2. For the first 12 years, the shareholders did not get any dividend, and it was only during the last five or six years that they got a dividend of 15, 20 or 30 per cent, with the result that the value of a share now stands at Rs. 186. Sir George Schuster was clever enough to select only a few other cases like the Cawnpore, Champaran and Samastipur Factories. He chose the pick of the industry. These factories are old factories established about 10 or 12 years ago. My Honourable friend here reminds me that the Cawnpore factory was established 25 years ago. But I challenge Sir George Schuster to tell me the name of a single factory even from the list of old factories which has made 100 per cent. profits. Sir, when old factories cannot make more than 25 per cent profits, how it is possible for new factories to earn even ten per cent promised to them?

The Honourable Sir George Schuster (Finance Member): I never suggested for a moment that any factory had made 200 or 100 per cent profit. I talked about 300 per cent appreciation in the value of the shares.

Lala Hari Raj Swarup: Sir, when he talks of appreciation in shares, Sir George also asks us to be content to allow the value of shares to fall to 100 per cent or so. But how can this depreciation in the value of shares be brought about unless these factories begin to run at a loss? As a

[Lala Hari Raj Swarup.]

matter of fact, some factories are already experiencing depreciation in the value of shares. In a night the value has come down from 330 to 250, and instances can be multiplied. The real test for finding out whether the industry is making 30 or 50 or 100 per cent profit is not to quote the shares from the share market or to quote hearsay evidence which are always misleading, but to tell this House how much it costs to produce a maund of sugar and how much we recover in price for a maund of sugar. I will now, with your permission, Sir, proceed to inform this House how much it costs us to produce a maund of sugar. The Tariff Board, in paragraph 64 of its report, compares the price of sugar that should prevail in the beginning of the protective period and in the end. At the end, they say that the cost of production, excluding the price of cane, should be Rs. 2-7-6 per maund. In this Rs. 2-7-6 per maund, they have not included anything for depreciation or interest on working capital or profit which they calculate to be reasonable at ten per cent, and, on account of these three heads, they put down Rs. 1-11-8 per maund. Their estimate of the cost of production is further corroborated by a statement of the Sugar Technologist to the Government of India in his monograph on the "Open Pan System and White Sugar Industry", in which he says that the cost of manufacture is about Rs. 2-9-0. To this Rs. 2-9-0 we have to add the cost of cane which, on the average, is six annas a maund, and 12 maunds of cane make one maund of sugar, that is, Rs. 4-8-0. Therefore, Rs. 4-8-0 plus Rs. 2-9-0 comes to Rs. 7-1-0. What is the price of sugar that we are realising at this time? The prices in India are governed by the prices prevailing in the central tract, that is, the Gorakhpur district. In the Gorakhpur district, the price of sugar is on the average Rs. 7-12-0 per maund. My friends can naturally put the question, could you not transfer the difference to the consumer? It is not possible for us to do so. The price of sugar ex-factory is controlled by the price that we are able to realise in distant markets like Madras, Bombay and Karachi, and it is necessary for us to do so in order to clear our stocks, because we are producing almost all our requirements. In Madras, Bombay and Karachi, the price today of Java sugar is in the neighbourhood of Rs. 10-2-0 per maund. Out of this Rs. 10-2-0 per maund, a freight of Rs. 1-8-0 on an average has to be deducted, and six to eight annas per maund goes on account of the difference in quality. Therefore, the maximum price that you can realise for No. 1 sugar is eight rupees per maund. If to this we add the price of No. 2 sugar, the average barely comes to about Rs. 7-12-0 per maund. What is the result? The cost of production is about seven rupees, and the price that we are able to realise is Rs. 7-12-0. We are thus left only with 12 annas to one rupee per maund to cover profit, depreciation and interest charges.

An Honourable Member: What about income-tax?

Lala Hari Raj Swarup: Income-tax is at the top of that. This is the present position. What will be the position when this excise duty of Rs. 1-5-0 per maund is imposed? It means that, instead of a credit account, we shall have a debit account.

Sir George Schuster, in his speech on Thursday, said that he was not committing any breach of faith. The industry as a whole feels that the Government have committed a breach of faith and are asking the House to side with it in committing that breach of faith.

Mr. N. M. Joshi (Nominated Non-Official): How is it a breach of faith?

Lala Hari Raj Swarup: Firstly, the breach of faith consists in the fact that you are not going to allow us even to realise what was promised to us by the Tariff Board and by this Honourable House when you passed the Sugar Protection Bill. As I have told you just now, if this excise duty is levied, we will not make any profit, nothing to say of provision for depreciation and interest charges. The Tariff Board, as I have told you, Sir, in paragraph 64 of its report, says that Rs. 1-11-8 per maund must be left free to the sugar manufacturer to cover depreciation, interest charges and profit of 10 per cent. Secondly, this Bill creates new circumstances which were never contemplated in the Sugar Industry (Protection) Act, that is, it creates circumstances which will increase internal competition and it will not allow us to realise the prices that were supposed by the Tariff Board we could realise. I know that when I make a reference to this question, I am entering a thorny field, that is, that this Bill creates a distinction between the small producer and the large producer. It is good that Sir George Schuster has promised to go carefully into this question in the Select Committee. I will only make one point in this connection, and it is this. It is not the desire of the industry or of the big factory owner to kill the small manufacturer. But what I ask is this that you should not create conditions which will wipe out the big factory out of existence, because, if you do so, you will not only waste 20 crores of rupees invested in this industry, but you will also not make your country self-sufficient at any time. Sir, Sir George Schuster's defence in this connection is that he gave a warning last year. Sir, that warning was too late, the factories that are working now have been ordered before that warning.

Sir George Schuster, in his speech on Thursday, said that, in spite of so much burden to the country, what is it that the consumer is getting. Sir, this duty of Rs. 7-4-0 per cwt. was imposed in 1931 only for a purely revenue purpose. It was increased to Rs. 9-1-0 per cwt. in 1931,—that too for revenue purposes. At that time, the consumer had to pay Rs. 11 per maund of sugar landed in the port. What would have been the condition today? Had not this Protection Bill been passed, the consumer would have been getting sugar at the same price at which he used to get in 1931, and had the Protection Bill not been passed, Sir George Schuster would not have any compunction for the consumer and he would have in his anxiety to find money gone on increasing the import duties on sugar, with the result that the consumer would have suffered still further. I will give some figures from the book of Mr. M. P. Gandhi, who has written a wonderful book on sugar, in order to show what benefits have accrued to the consumers under the protectionist scheme. My figures are based on an average consumption of 600,000 tons of sugar per year. Java sugar sells at present at Rs. 10-2-0 per maund, that is, had we been using all the Java sugar, we would have had to pay today Rs. 18,02,25,000. According to the Tariff Board's recommendation, sugar would have sold today at Rs. 8-13-1 per maund, that is, we should have paid Rs. 15,90,46,875 per year, and what is it actually that the consumer pays today. He pays at the rate of Rs. 7-12-0 per maund which comes to about Rs. 14,17,50,000. It is clear that the industry today is supplying India with sugar at Rs. 3,84,75,000 below the present Java price and at Rs. 1,72,96,000 below the average price recommended by the Tariff Board.

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Mr. President, Sir George Schuster further said, how long is this country going to bear such burdens in order to foster these industries? I will remind my Honourable friend that India is still behind many other countries which are taking whatever steps they can in order to make themselves self-sufficient in their needs of sugar. Mr. M. P. Gandhi, in his admirable book on Indian Sugar, Past, Present and Future, gives in Table No. 3 the duties that are in force in the various countries of the world at the present time. In Germany, the duty is Rs. 15-15-0 per cwt. In France, it is Rs. 14-4-0 per cwt., and, in the United Kingdom, it is Rs. 7-12-4 per cwt., and, in Australia, there is a complete embargo. In this connection, it is noteworthy to see that in Great Britain, in addition to this import duty of 7-4-0 per cwt., the Government of England has given bounty to the tune of 37½ million pounds to be given to the industry during the course of ten years. In the case of India, Sir George Schuster is sorry to have lost ten crores

The Honourable Sir George Schuster: Per annum.

Lala Hari Raj Swarup: Yes. Other countries have also imposed tariff duties and lose large amounts every year.

Now, he says in his speech, that the greater part goes, of course, to pay for the lesser efficiency of production in India as compared with Java and the balance goes in profits to those who have invested in the sugar companies. This is a highly unjust charge against the industry. He should know that, out of this 10 crores, more than 6½ crores goes to the grower, and I hope that my friend, Sir George Schuster, is not unaware of the fact that, had this Protection Bill not been passed and so many factories had not been put up, the agrarian trouble in the U. P. would have assumed such a dangerous stage that it would have been difficult to control it. Out of the remaining three crores and a half, a considerable part goes to the labourers, the railway and the Posts and Telegraphs, and much less than ten per cent promised by the Tariff Board is left to the industries concerned. He has made this charge of inefficiency which I cannot allow to go unchallenged. In this connection, I will refer only to the figures and the conclusions arrived at by the experts of my friend, Sir George Schuster, because, our own figures may be taken as misleading. In his review of the sugar industry of India published in the *Trade Journal* of 2nd November, 1933, Mr. Srivastava, in Table No. 13, says this; but, before I read it, I should like to inform the House as to how you should judge the efficiency of a sugar factory. The main test is, how much sugar you are able to recover out of cane. On that depends the efficiency of the sugar factory. In India, in 1923-24, the efficiency was 7.45 per cent of cane. In 1924-25, it was 7.79, in 1925-26, it was 8.43, in 1926-27, it was 8.47, and so on; it went on increasing, when, in 1932-33, it went up to 8.66. As against this, the recovery of Java was 11.44 in 1923-24 and 11.92 in 1931-32. My Honourable friend, the Finance Member, will probably in his concluding speech say: "Well, you are still three per cent down that of Java"—but the difference consists in two facts; one, that the sucrose in our cane is about 2½ per cent lower than in Java, and in places where the sucrose in cane is the same as in Java, we are behind Java only by half per cent, as in Bombay. In places like Bihar and Orissa and United Provinces, where the available sugar in cane is hardly 11 to 12 per cent as against 14 to 15 per cent in Java, it is necessary

that the recovery in sugar should be lower by two or three per cent. Secondly, in this short space of two years, you cannot expect us to get that experience and trained labour as is available in Java. Sugar-making, Sir, is a highly technical industry and it should be rather to our credit that we have maintained this efficiency or rather increased the efficiency in spite of these difficulties. Mr. Srivastava also acknowledges this fact:

"When expansion is rapid, conditions are generally unstable and efficiency suffers and this is what has taken place to a certain extent in the present instance. But it is a matter for some satisfaction to those concerned with the technical aspects of the present development that even in the first year of their operation the new plants have shown results which on the average are not inferior to those of factories established for several years."

Sir, there is also another charge made against this industry to which my friend, Mr. Maswood Ahmad, also referred the other day; that is, the price of cane paid by these factories. Sir, as I have said in an earlier part of my speech, we are paying on an average six annas a maund for cane; and this was the price that was calculated by the Tariff Board to be payable to the grower when sugar could sell at Rs. 7-12-0 per maund. Sir, though we are not realising anything for mollasses, we have not allowed the price of cane to go below six annas per maund. Sir, there is a further proof that we are paying a reasonable price in the fact that in areas where there are factories operating within a radius of four or five miles, we do not find a single *gur* factory working,—that is, the growers do not convert their cane into *gur*; and why do not they do that? Because they find it profitable to sell their cane to the factories. Sir, the price of six annas paid to the grower is four times more than what he can make out by converting it into *gur*. In this connection, I would like to quote from the proceedings of the Sugar Conference held at Simla on the 10th, 11th and 12th July, 1933. The Honourable Mr. A. H. Lloyd, interrupting Mr. H. C. Prior, put the following question to him:

"I should like to ask one question. Will the Revenue Secretary from Bihar and Orissa kindly say from his experience in his own Province if he is prepared to bear out the statement made by a very recent speaker that sugar-cane sold in the factories fetches three times the price that it gets where there are no factories?"

Mr. Prior replied:

"Conditions in Bihar vary between North Bihar and South Bihar. In North Bihar, a very great majority of the cane is sold to white sugar factories. In South Bihar, a very small amount of cane is sold to white sugar factories. The average price of *gur* made from the cane in South Bihar was Rs. two a maund and that I think represents about 1½ annas per maund of cane."

Just compare this with the six annas that the factories are paying.

The Honourable Sir George Schuster, in his Budget speech, mentioning one of the reasons for bringing in this excise duty, said that "we also want to protect the interests of the grower". Sir, I do not understand how he is going to protect the interests of the grower by this Excise Duty Bill. I can understand that the fixing of a minimum price for cane under a separate Bill might give some advantage to the grower, but the Sugar Excise Duty Bill is definitely opposed to the interests of the grower. Sir, it will affect him in three ways. By the imposition of the excise, our crushing season will be shortened, because the margin to which we work will be narrowed down by one rupee, with the result that we shall start later and close earlier; that is, as for instance, in Meerut we start at present in the beginning of November and go on to the first week of April. The result of this

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will be that we shall not be able to commence till about the middle of December, and we will have to close earlier. Sir, during this time the grower will suffer and he will perforce have to convert his cane into *gur*, the price of which will be further reduced. Secondly, this Bill seeks to impose a duty on those factories also which make sugar from *gur*, that is, factories which refine *gur*; and, therefore, with this duty, these factories will close down, with the result that the demand for *gur* will be reduced, and it will bring about a further depression in the price of *gur*. Thirdly, though a minimum price for cane is going to be fixed, I understand that it is not going to be an arbitrary fixation of price; it is bound to have some relation to the cost of production of white sugar in the factories, and that, with this one rupee a maund of excise, the cost of production will be increased by one rupee. Part of this excise is bound to be transferred to the grower and in that he will get a lesser price for his cane. Mr. President, from all this you will be able to see that this Bill is against the interests of the grower, the consumer and the producer, and so I will request this House not to allow this Bill even to go to the Select Committee. But if this House does not feel convinced and is of opinion that this Bill should be referred to the Select Committee, then, Mr. President, there are various points which will have to be very carefully considered in the Select Committee. The points for consideration are whether the duration of the Act should be permanent or for a year; whether the duty should apply only to large factories or to small factories as well; whether the duty should apply to all kinds of sugar as proposed or only to cane sugar factories and *gur* refineries being exempted; whether the duty should apply to stocks produced before the 1st of April, but issued later as now proposed, or they should be exempted; whether the factories started this year and the last year which had no time to consolidate their position should be exempted; whether the provisions regarding factories established in the States are correct or require re-modelling on the lines of provisions contained in the Matches (Excise Duty) Bill; whether the penal provisions should be re-modelled and whether the rate of duty is excessive and, if so, should the same be reduced to half or to a quarter; and, last, but not least, whether the import duty, as at present, is sufficient or should be increased, and, if so, to what amount?

Mr. President, I will not dwell at length upon all these points, but I will only refer to one point. I will ask my Honourable friend, Sir George Schuster, to tell me how he has calculated his figure of 1.47 lakhs that he wants from this industry and how much production he has calculated to arrive at this figure? Making backward calculation, the total produce on which he has calculated this duty of 1.47 lakhs, is 560 thousand tons, but I have authorities from which I shall show you just now who say that the produce of sugar from factories, which are proposed to be brought under the Bill, will be 910 thousand tons, that is to say, a little less than double the quantity that he has taken into consideration. Again, referring to the Sugar Technologist to the Imperial Council of Agricultural Research, Mr. Srivasatava, in his review, published in the *Trade Journal* of 2nd November, 1933, said that the average working days in a factory in the whole of India for 1932-33 were 138 per factory and their average extraction of sugar was 8.6 per 100 maunds of cane. Their average crushing capacity was 440 tons per day. In the book of Mr. Gandhi, the number of factories has been calculated at 145 this year and there might be six or seven factories next

year. If we divide and multiply these figures, we find that only from cane sugar the quantity will be about 734 thousand tons or even more. If to this we add one-fourth of the sugar as refined in the refineries, the total will come to about 910 thousand tons. If, by an amendment of this Bill, some of the small sugar factories are also included, another 260 thousand tons will be included in this duty, and the duty can safely be reduced to one-quarter, leaving, at the same time, Rs. 1,47 lakhs to my friend, Sir George Schuster.

Sir, there has been so much talk about excessive profits. I have the authority of the sugar manufacturers to state in this House that if the Government and this House feel that we are still making very excessive profits, then give us only that which was promised to us by the Tariff Board and this House, and take away the rest in any form you like, but do not increase our cost of production, thereby making us close our doors. Tax profits by all means, but do not for a moment tax mass production.

Mr. G. Morgan (Bengal: European): Mr. President. I oppose the amendment for the reason that I cannot see that any beneficial result could be obtained from the circulation of this Bill. The Honourable the Finance Member has already told us what he remarked last year in warning the sugar industry as to what was likely to happen.

Now, the Honourable the Finance Member has made three points of charges made against him, (1) breach of faith, (2) hardships caused to shareholders, and (3) that the duty was a fatal blow to the infant industry. Now, Sir, the breach of faith, as far as my information goes, is not the imposition of an excise duty as such, but the breach of faith complained of is that the *khandsari* sugar is exempt from the excise, and, further, that, on the figures of the present day position, the duty of Rs. 1-5-0 is excessive. My Honourable friend, Mr. Hari Raj Swarup, has already given you all the figures in that connection. We make the difference by which sugar excise will work out at Rs. 0-15-4 per maund. We reckon that the difference of the excise duty should be between seven and eight annas per maund, so that the Honourable the Finance Member may rest assured that the breach of faith does not refer to the mere fact of his having brought forward a Bill for the imposition of excise. It is the details of the Bill that do not bring out, in our opinion, the full benefit of the protection which the Honourable the Finance Member considers the industry is entitled to.

Now, Sir, with regard to the hardships to shareholders. I do not know exactly how the shareholders have been putting it to him in the multifarious telegrams that he has received and on what grounds they have put it, but the way in which the Honourable the Finance Member put it to the House is rather misleading. Now, Sir, with regard to that wonderful transaction of Belapur shares, I think more details should have been given as to the position of that Company, before that statement was made on the floor of the House. I have the position of the Company here before me, and up to 1930 there were no dividends declared at all. In 1931, it was six per cent, and, in 1932, it was 12 per cent, but the capital was written down, that is, the 100 rupees shares were written down to Rs. 50, so that half the capital was completely wiped out, and now it is certainly in a good position as it stands at present. That is to say, the shareholders have lost half their money, so that, if they get a dividend of 20 per cent on their shares, this actually amounts to only 10 per cent on the original capital. That company was registered in 1919. Now, Sir, with regard to the other factories which the Honourable the Finance Member quoted, Ryam and Samastipur, Ryam

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was registered in 1913 and Samastipur in 1919. I have got figures which go back to 1923 and Ryam paid ten per cent in 1924 and nothing more at all till 1930, and then it paid 20 per cent. But I would draw your attention to the fact that the capital of the Company, although it has approximately 655 tons crushing capacity, is only 7½ lakhs, the average capital for a factory of that description is between 18 and 20 lakhs, so that, there, again, the shareholders get the benefit of the small capital.

The Honourable Sir George Schuster: My Honourable friend is missing the point of my argument. My argument was simply based on the enormous improvement which had occurred in the value of the shares since the policy of protection was introduced and also the fact that, since the excise duty policy was proposed, those shares have not fallen precipitately in value. These are my arguments.

Mr. G. Morgan: We know that it is so. I know all the shares had been going up and down. I will explain that a little later when I come to it. I understood from what the Honourable the Finance Member said, that they wanted to stop this sort of speculation, but I submit that this sort of speculation is not stopped by putting an excise duty or a duty of any description on the industries. That is not the method by which it should be stopped. In other countries, they are trying to stop this excessive, and most unfortunate gambling we may call it, by such things as the Securities Act and the suggested new Stock Exchange rules in America. With regard to what the Honourable Member said, when he interrupted me just now, namely, that the values of the shares rose, I have prepared a note and I find that the values rose as a result of protection in anticipation of higher dividends. The dividends did not improve very appreciably, though these Companies made larger profits—I am referring to the other group, not the Belapur Company. When the warning of last year came, all the share values went down and again fell when the results of the year, ended June, 1933, were lower than was anticipated. Then, there was a fear of the removal of the surcharge and that made the people nervous again, and, on the top of that, there was the earthquake which made people wonder whether they were going to get any dividends at all. But when the fear of the removal of the surcharge was removed, the imposition of the excise duty counterbalanced that and the shares remained more or less at the same figure.

With regard to the third point that the duty was a fatal blow to the infant industry, that is perhaps rather strongly worded by whoever put it up before the Honourable the Finance Member. But we hold that the excise duty, as proposed to be imposed under the Bill, is higher than it should be and the details of the Bill make it such that the infant industry, that is the sugar factory producers, will certainly be hit. I do not say it will be a fatal blow, because some factories will certainly be able to carry on, but it will be an unfortunate blow.

Then, with regard to the amount of excise duty which the Honourable the Finance Member expects to get amounting to one crore and forty-seven lakhs. In his Budget speech, the Honourable Member was budgeting for, I think I am right in saying, two crores of import duty for 1934-35. I would now suggest to the Honourable the Finance Member that he might with safety double that amount. I do not see any reason for such a change, it is not safe to prophesy, but I think it is almost a safe thing to

say that the imports for 1934-35 will not be less to any extent than the imports of 1933-34 which were 247 thousand tons. I have made calculations which show that it is more than likely we shall get about 225,000 tons in 1934-35. The Honourable the Finance Member has reckoned it at 110,000 tons. In that case, the duty would be double, that is to say, we should get from the import duty four crores instead of the budgetted amount of two crores. Then, again, the Honourable the Finance Member may say: "It is all very well talking like that, but can you guarantee it?" If you guarantee that I will be able to get four crores,

The Honourable Sir George Schuster: I should not accept the Honourable Member's guarantee.

Mr. G. Morgan: I should get two signatures under the Reserve Bank Bill, I do not think any one will take a single signature nowadays. But, with the imposition of the excise duty, whatever it may be, I see no reason why the imports of this year, 1934-35, should be any less than the imports of last year, merely because the figures show a greater production in India. I do not say that that is actually going to happen and I feel inclined to suggest to the Honourable the Finance Member that he takes his figures of 110,000 tons and two crores as being on the low side which perhaps is a safe thing to do from a financial point of view.

Coming to the question of *khandsari*, everybody has in his hand books, pamphlets and papers showing the production of *khandsari*, the quantity of sugar got from cane, and so on, but there is a misapprehension about the *khandsari* production. The sugar which the *khandsari* makes is from *rab* and there may be some isolated instances in which a *khandsari* producer works right through from the cane to the sugar, but that is not universal. The *khandsari* buys the *rab* and manufactures it into sugar, mostly nowadays by centrifugal methods and if the *khandsari* is exempt and a duty of Rs. 1-5-0 per cwt. is imposed on the factories, there is not the slightest doubt that the *khandsari* will be a great menace to the factories as far as the possibility of making a profit on their working is concerned. The *khandsari*, as this House has noticed from the Honourable Member's speech, uses practically at present the same amount of cane as the factories, that is, about five million tons. The two together use roughly about ten million tons out of a crop of 48½ million tons.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): May I ask the Honourable Member a question?
12 NOON. What is the percentage of sugar juice which a *khandsari* draws, and what is the percentage that the factory draws?

Mr. G. Morgan: The *khandsari* draws about 50 per cent sugar out of the *rab*.

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): And the *khandsaris* do not crush the cane, they purchase *rab* from the cultivator.

Mr. G. Morgan: That is what I said. The agriculturist crushes the cane in certain primitive methods and makes *gur* and *rab*. *Gur* is a more refined process than *rab*, and it is eaten in India. *Rab* is a lower grade and is sold to people who make sugar by the *khandsari* process.

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Now, Sir, taking 600,000 tons as the production of the sugar factories, we reckon that the *khandsari* manufacturer at the present moment produces 300,000 tons, which is a third of the total production of sugar, *viz.*, 900,000 tons, as my Honourable friend, Mr. Swarup, mentioned. And the producer of *khandsari* sugar is not an agriculturist as such. He is a producer of sugar, but, of course, he has to get his raw material from the agriculturist. Now, as I have said, freedom from excise will certainly make the *khandsari* producer a menace to the sugar factories; and if Honourable Members will refer to the proceedings of the 6th meeting of the Sugar Committee held at Coimbatore in November, they will see that the question of these units for *khandsari* production was discussed in item 13 of the proceedings and everything possible is being done to increase the use of these small units and centrifugals. Mr. R. D. Agarwala has published a book recently and I wish, Sir, with your permission, to make a short quotation from his work:

"The introduction of cheap electricity and the use of power-driven machinery will further increase the number of *rab*-making and *khandsari* sugar factories in the rural area."

If there is no objection to the increase of *rab* making, there is none to *khandsari* making sugar if the actual sugar producer is also made to pay his share of the excise duty. If he produces sugar 90 per cent, then he ought to pay just the same as the factories. Some of the papers which have come into our hands say that *gur*, *rab* and *palmyra* should be exempted. *Rab*, of course, we know is used by the *khandsari*, and I want to bring the *khandsari* into this. *Gur* is used by the sugar refineries, and, therefore, wherever it is used in that particular way, that factory cannot escape if it makes sugar from *gur*. In the same way, if the sugar factories in Madras buy *palmyra* juice and make it into sugar, those factories must pay excise just the same as everybody else using raw material. Most people have got into their minds that this Bill is only a sugar-cane Bill, and, therefore, anything that is not sugar-cane does not come into it. But really it is a sugar Bill and any one producing sugar with 90 per cent sucrose should have to pay the excise duty.

Now, Sir, I should like to turn for a minute to the remarks made by the Honourable the Finance Member in his Budget speech with regard to the seven lakhs of rupees:

"As a fund to be distributed amongst the Provinces where white sugar is produced, for the purpose of assisting the organisation and operation of co-operative societies amongst the cane growers so as to help them in securing fair prices or for other purposes to that end."

I should like to put forward a suggestion for a better method of spending money of that description. My Honourable friend, Lala Hari Raj Swarup, gave certain figures as regards the production of cane in this country and the sugar contents. We know that here in India the agriculturist under present conditions grows from 250 to 350 maunds of cane per acre against 1,500 to 1,700 in Java. Also sucrose in India is lower than in Java. The raw material in Java costs the factory manager Rs. 141 per hundred maunds, whereas, in India, it would cost between Rs. 375 and 400. Now, what is wanted is a better production of cane with a higher sugar content. And money would be better spent for those ends than for merely organising and distributing money with the idea of getting a higher price

for an inferior article. We can never hope to compete with Java, nor can we expect selling prices on a paying basis to give a return of anything like ten per cent to the factory unless the agricultural end is decidedly improved. In the Sugar Conference, held in Simla, great stress was laid on that point by the Honourable Dr. Gokul Chand Narang who made a long speech on the subject and pointed out that, unless something was done on those lines, there was very little hope for a change for the better in the position of the sugar industry. It is quite an economic proposition that if you treble your crop and you halve the price, still the grower is better off.

Now, Sir, I should like to refer again to one thing in connection with the earthquake in Bihar. The Finance Member stated that everything would be done to help those factories which had been severely damaged and whose work had been held up by the earthquake and during the period. That is one of the points which will have to be thoroughly discussed in the Select Committee as to factories that had no opportunity of getting their sugar away and were helpless owing to want of wagons and one thing or another, as to whether they will be treated in a lenient manner so far as the excise duty is concerned.

Then, Sir, there is one other point. The Honourable the Finance Member said that there was very little danger of this industry being transferred to the Indian States. We have apprehensions that you cannot wipe that danger out in a sentence. There is no doubt that there is every danger, provided the sugar industry in British India is not being able to pay its way and make a profit, some decent profit even up to ten per cent. There is a danger that there will be a transfer of the industry to Indian States.

Then, with regard to the cost and the return to factories, we have the position of molasses before us. It is practically now taken as unsaleable—some places may get an anna or two for it, others get nothing, and we hear of its being dumped into rivers or on sides of railway tracks and all sorts of things. Anyhow, it is a thing which now costs most factories something to get rid of. A proposal has been made that the making of molasses into power alcohol should be investigated, and I would ask the Honourable the Finance Member to inform this House whether any particular stage has been reached with regard to the investigations on that point. There are certainly many points on which the Select Committee will have to go very carefully into the clauses of the Bill. In clause 2, in the definition of factory, it would not, of course, cover the people whom we are anxious to bring in, and I notice that, in an Act which was put forward by the United Provinces before the Sugar Committee, their definition of factory was “any premises wherein or within the precincts of which there is carried on the manufacture of sugar from cane, *jaggery* or any other raw material and working by the vacuum pan process or any processes connected with such manufacture.” Another very important thing is this: although I and some of my friends on the Committee, when discussing the sugar excise, were very anxious to bring forward questions of zoning, etc., and details connected with zoning and the licensing of factories, it was also discussed at the Sugar Conference, no one could come to any decision. At the same time, it is interesting to note that both in the United Provinces and Mysore, there is a clause in their Bills for the licensing of factories, and that is very applicable to the position of factories

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springing up like mushrooms without any control. But I think there is confusion of thought running through all the papers connected with this Bill, and that is the talk about the production of sugar in India being almost equal to the consumption, or will be next year. In the proceedings of the Sugar Conference, it was brought out very clearly that although the United Provinces and Bihar might have got more or less to the limits of their producing capacity or what should be the limit, other Provinces had not, and the Madras representatives were very strong on that point, their argument being perfectly logical: they said "If we can grow good cane, why should we not do so" and in fact figures were given by a member of that conference which showed that they were very nearly on a basis of competing with Java at the present moment and hope to be able to do so with a small reduction in costs in the near future

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Who said that?

Mr. G. Morgan: The Madras representative: I refer you to these proceedings. The point is that although the United Provinces and Bihar may be able to produce up to what we call the limit of consumption in this country, the limit of consumption is taken from the import figures of Java sugar which went up to a million tons some years ago. But the difficulty comes in that if you are going to pin yourself down to that, you are going to have no sugar industry except in the United Provinces and Bihar. Madras, I take it, would not stand for that for a minute. They hold, and rightly hold, that they could grow more sugar-cane and very good sugar-cane and give cheaper sugar; and unless you are going to transport Bihar and the United Provinces sugar down to Madras practically free of cost, which I am perfectly certain the Railway Board would not do, then it seems impossible to expect Madras to agree to the suggestion that we have reached the limit of production being equal to consumption. These are figures, but not the practical position. Therefore, I do not put up any opposition to this Bill going to Select Committee, but there are so many things to be considered and so many practical points to be discussed that I hope the members of the Select Committee will go very very carefully into the whole situation. I support the motion for Select Committee.

Bhai Parma Nand (Ambala Division: Non-Muhammadan): Sir, before I deal with the other aspects of the Bill before us, I wish to take up some of the points which have been raised in the speech of the Honourable the Finance Member the other day. To begin with, he has deprecated the campaign that has been started by the manufacturers, openly mentioning the Basti Sugar Mill. His view is that this agitation is unreasonable and unjustified. I venture to submit that the Honourable the Finance Member would change his view if he would simply place himself in the position of the manufacturers of the Basti Mills. The Basti Sugar Mill has been in existence for several years, and, therefore, does not owe anything, either its existence or its progress, to the protection duty that has been granted by the Government. It was working for several years and was making quite decent profits. The Basti Sugar Mill, after this protection, has not had any increase in its produce, nor any reduction in its expenditure. On the contrary, this protection has multiplied the number of factories, and their number now comes to over 100, and all these are acting

as rival factories to those which existed before, and naturally no commercial concern would like that it should have so many rivals to compete with them in the line.

With regard to the increase in the price of shares, Mr. Mody might have observed one instance of some inefficient company or concern, but I can assure Sir George Schuster that the Basti Sugar Mill was making decent profits and the value of its share was very high even before this protection was granted. There is no doubt that this protection has brought in a certain amount of speculation in the share value of these sugar mills, and I think those, who purchased the shares during the time of speculation, will have to suffer a great deal on account of the imposition of the excise duty. Sir George Schuster said in an ironical way that the value of these shares increased by 100 per cent or 200 per cent, but I would submit to him, as I have already said, it was largely due to speculation; but, in this period of one and a half year, during which this protection policy has been in operation, it cannot possibly be said that these factories have been able to make such high profits as my Honourable friend imagines. Even supposing that some of these mills made some profits for a year, I think the Government should harbour no kind of ill feeling or prejudice against these factories. Take the case of Java. The Finance Member himself informed us that Indian factories were manufacturing sugar at three times the cost of Java sugar. From this it will be quite obvious that the profits of the Java manufacturers for the last two or three generations, when they were exporting their sugar to India and we were importing it, had been enormous; but, Sir, in spite of that fact, we know that the Government of Java had borne no prejudiced feeling against their factories. On the other hand, the Java Government supported the sugar industry and helped them in different ways, and it is really surprising that, during the one and a half year that our sugar factories have been in existence, the Government have already become so nervous as to think that the factories are making too high profits and that they should be deprived of this advantage. Herein we find the difference between a National Government and a foreign Government, and this fact pains us the most. I may inform Sir George Schuster that the Basti Sugar Mill even at its best could not make more than two rupees profit per maund of sugar produced by them, and, taking this excise duty of Re. 1-0-0 per maund, more than half the profits would be taken away by the Government. As I have already said, the Basti Sugar Mill was in existence long before this protection was granted, and it does not owe its existence either to the favour of the Government or of Sir George Schuster. I do not see what right either the Government or Sir George Schuster has to impose on that factory such a heavy duty and take away more than half the profits.

Sir, there is only one more point to which I should like to refer and that was mentioned by Mr. Maswood Ahmad. He complained that the factory owners had been treating the labourers and the cane growers very badly during the last one or two seasons that these factories have been at work. According to me, the question is not whether these factory owners have been treating the labourers and the growers badly, but the question is whether these labourers and the cane growers have gained any advantage from the existence of these factories and whether they are better off or worse off than before. My information is that these labourers, who were working in these factories, and the cane growers also who were

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supplying sugar cane to the factories, get two or three times more income in their respective spheres, that is to say, the labourers get two or three times more wages than before, and the cane growers get two or three times more price for their cane now than before.

Now, I shall come to my main subject. Sir, when the Greeks came over to this country for the first time, they were struck with two outstanding facts in India. They remarked with considerable surprise that India was a land of marvels for two things, because it produced a plant the juice of which yielded honey and it produced another plant, the fruit of which yielded wool. The Greeks derived their idea of sweetness from honey. After that, till the Portuguese came to this country and discovered a new direct sea route to India, we find that sugar was very sparingly used in Europe; sugar was bought on prescriptions given by the doctors from the drug stores. After the Portuguese came to India, they and the Dutch, who followed them, took away sugar-cane from India to other parts of the globe. Talking etymologically also, we know it as a fact that the words in almost all languages for sugar correspond to the Sanskrit word "sharkar". This is the original Sanskrit word for sugar and the word "sucrose", saccharine, and others are all derived from the word "sharkar." This clearly shows that sugar and cotton were the two oldest and original industries of India. What has happened to these industries after the advent of Europeans to this country is a subject of the economic history of India, and I do not wish to deal with that aspect of the question here.

Sir, I was one of those who gave their full support to the Ottawa Agreement. I think those people, who disagreed and who were still opposed to the Ottawa Agreement, were sincere in their views and in their opposition, but I consider that their judgment in this case was wrong. I did not support the Ottawa Agreement simply believing that the British Government had changed their angle of vision so far as their trade relations with India were concerned, but my idea was that, after a very long time in the history of England, the circumstances of the world had so radically changed that England had decided to adopt the policy of protection in the matter of trade for themselves, and, consequently, their interests had become quite identical with the interests of India on economic questions. My view, therefore, was, as had been all along, that it was only a policy of protection that could save India from this exploitation that was being carried on by other countries here. But I have to confess, Sir, that this excise duty that is now proposed by the Finance Member has come as a surprise upon me. I think it was some months before the Ottawa Agreement was even heard of that Sir George Rainy very willingly introduced and carried through a Bill for the protection of sugar industry in India. That created an impression on me as well as on many of us here, that the Indian Government were really anxious to protect not only sugar, but also all such industries in which British and Indian interests did not come into conflict with each other. This protective duty has no doubt given a great stimulus to the development of sugar industry in this country. During a period of only 1½ years in which this duty has been put in operation, the sugar factories have increased from a small number to well over 100. This is a fact over which any national Government would have congratulated itself, but it is a pity that the case with the

Government of India is just the reverse. Our Government, instead of being overjoyed at the fact that they have done a signal service to the country, seem to be determined to kill their son, the industry to which they have given birth. The stories, which we heard about the cutting of thumbs of expert weavers who were working in the factories of the East India Company, simply because they left the Company's service, so that they might not get jobs and teach their skill to others, were going to be regarded as mere fables, but to our great regret we are reminded again of those tales.

It is an admitted fact that the Government have lost a great deal in their customs revenue, but when they were going to impose this protective duty, I think they should have been quite cognisant of the fact that this heavy protective duty would stop altogether the import of foreign sugar and would reduce the customs revenue so far as this line was concerned, although the development of this industry in the country would surely have increased the wealth and income of this country, and that could have been a source of fresh revenues to the Government in the long run. But, quite apart from that fact, Sir, the British Government, taking the place of a national Government in India, must also know that they could not protect the industries in this country without making sacrifices in that behalf. Don't we see the case of Japan before our very eyes? What are the Japanese Government doing? They are giving concessions in railways, in steamer freights, they are giving subsidies to their industries, so that they could provide employment for all the unemployed in their country and also to bring in wealth from other countries. Not only Japan, but I could well remember the days before the War when Germany decided upon producing sugar from beetroots. By making experiments, they developed that industry, and our markets were flooded with beetroot sugar from Germany. How could that be? The German Government had subsidised that industry and guaranteed full profits to the manufacturers. Another thing: In the Punjab Legislative Council, it was said that at present the English Government were spending 37½ million pounds on the encouragement of the sugar industry in England. These facts bring us to the conclusion that if any Government want to develop the industries of their country, they cannot do so without making some sacrifice on behalf of the industry. They must provide for their revenues from other sources till such time as the industry is in a position to compete with others and bring revenue to the Government. No doubt, the Government have to carry on the administration, and in our case, a very costly, administration, but besides this, there is another duty which every Government have got. I think our Government also should attend to that duty, that is, to increase the wealth and prosperity of the country. In our ancient books, the rule for taxation was that the ruler ought, in taxing the people, to act like the sun, which means that, just as the sun by its rays draws the water from the sea and from the earth, and, again, soon after converts the vapour into clouds and pours it down as rain to fertilise the very earth from which it has drawn, so also there should be taxation, but the object of that taxation ought to be to increase the wealth and prosperity of the country. When Java was making 100 million pounds every year for the last two or three generations, nobody minded it. I would ask Sir George Schuster or the Government of India, when Java was taking away hundreds of millions from India every year and the

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wealth of this country was being drained away, what did they do to protect the Indian wealth from being drained away? And how did the Java Government feel as regards their own manufacturers? And now, so soon after we have been able to persuade the Government to protect this industry, we find that the Government of India have decided to go just in the opposite direction and impose a heavy duty so as to make up for their losses even before the industry has got a start. This is acting like a man who wanted to kill the goose that lay golden eggs for him.

I submit that this House should not get startled at the report of one or two or a few factories making huge profits. It may be that one or two factories have made profits, but that cannot lead us to conclude that every factory is doing so well. There are some factories which have made profits, but there are others that have not had even enough to meet their expenses. Sir, one swallow does not make the summer. And we have also to remember the fact that many shareholders, because of this speculation, as I said before, have bought their shares at a very high premium and have had to mortgage their property for them. If there is any fall in the profits or in the value of the shares, naturally it would hit them very hard. Talking from their point of view, I think they would take the protection duty as a mere trap, by which the investors were induced to fall in it.

Then, there is another important fact to which I would like to draw the attention of the Honourable the Finance Member. Although I do not know the exact figures, but, roughly speaking, we know that before the protection duty was granted, there were about 30 or 32 factories which were working in India, and some of these factories were making very good profits. These factories have, practically speaking, derived no benefit from this protection duty at all. Their produce cannot be increased because of this protection duty, nor can their expenses be reduced. But these factories shall have to pay one rupee per maund of the produce in the shape of excise duty. I do not understand that as these factories are under no obligation to our Government for their protection, what right this Government have got to tax so heavily the produce of these factories that had been working already before the protection period. Then, Sir, in September, 1932, sprang up certain factories. Naturally, we should remember that it is not quite an easy job to import all the machinery from Europe and to set up that machinery and also to provide for the supply of the sugar-cane that is required for the working of a factory. There were very few who had enough money at their disposal to start their work and make some profits last year. Their number was not more than 25 or 30. Since then, another 57 factories have been started and the number of factories has grown up to over 100. Now, these factories, which were started only during this season, had also to import machinery and make provisions for the sugar-cane. These factories cannot make a profit. In any case, it is a very doubtful question. The law of taxation ought to be that you ought to tax those factories which are likely to make some profit and not those which are very advantageously situated. If you are going to tax all those factories that are working with a very low margin of profit, the natural result will be that those factories that are not making anything shall have to close,

and this excise duty measure will kill a large number of the newly started factories. That would be a rude shock to them, the greatest discouragement to this industry that has been started on account of this protection duty granted by the Government.

Again, my friend, Mr. Hari Raj Swarup, has already referred to the refineries. Many of the factories, that were working before the protection duty came in, were simply refineries. They did not crush cane, but purchased *gur* or *jaggery* and refined it into white sugar. I want to put before this Honourable House that these refineries cannot work at all under this excise duty. I will mention some figures to show how these refineries were working. They had to buy *gur* at the rate of four rupees per maund. Let us take that two maunds of *gur* would cost them eight rupees. Then they had to refine it, and, out of that, they could produce 50 to 60 per cent refined sugar.

Seth Haji Abdoola Haroon: They could produce only 45 per cent.

Bhai Parma Nand: My information was 50 to 60 per cent., but my Honourable friend informs me that they could produce only 45 per cent. However, if we take the average as 50 per cent., they got only one maund. Now, in order to get this one maund of sugar, they had to pay eight rupees for two maunds of *gur* and one rupee as the excise duty. That means, the cost of one maund of sugar will come to nine rupees. The average market price today for this one maund of sugar is nine rupees. That being the case, where from will they pay their labourers? Besides, they have to pay to those men who supervise the work. They have to pay interest on the capital, and they have also to make some allowance for the depreciation and the wear and tear of the machinery. What can they make under this duty and how can this duty be levied on these refineries? It only comes to this that all the refineries, which have been working even before the protection, having derived no benefit from this protection, must close down on account of this excise duty. I think this is a most unjust thing that is being done to an infant industry, and I hope the Honourable the Finance Member will take this point into consideration.

Then, Sir, I want to refer to another question which is not quite relevant to the subject. I want to refer to the fixing of the price of the sugar-cane. I am at a loss to understand how the price of sugar-cane can be fixed and how it can serve any useful purpose at all. If today you fix the price of sugar-cane, then, later on, you will have to fix the price of wheat, rice and cotton and other things. How is it not possible to fix the price of these commodities? Besides, the establishment which the Government will have to maintain for this purpose will prove another heavy item of expenditure on the sugar-cane growers and also on the manufacturers. Sir, the sugar-cane is not only to be used by the factories which are being run by power-driven machines, but also by those other people who make *rab* and *gur* and *khandsari*. The question is, whether the price of the sugar-cane will be fixed for the use of all or only for the factories. I am informed, that only seven per cent. of the sugar-cane is being used by the factories at present. Even if we make a very liberal allowance, it is not more than 20 per cent sugar-cane that is being used by these factories. What will happen to the remaining 80 per cent? Are Government going to fix the price of all the sugar-cane or only of the 20 per cent sugar-cane that is to be used by the factories? If they cannot fix the price of all the sugar-cane, then, naturally, it is the most

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uneconomic and unheard of thing to fix the price of one part of the sugar-cane that is being used by the factories and let the 80 per cent go its own way and fetch any price that the sugar-cane grower can get. Then, again, there are sugar-cane growers situated at distances from and close to factories. Naturally, the sugar-cane growers that are very close to the factories can very easily bring in their sugar-cane to these factories, while those at a distance cannot conveniently do so. You give them the same price, and then they would have to undergo a loss to bring in their sugar-cane to that place; thus you cannot fix one price for one sugar-cane and another price for another sugar-cane. It is an unheard of thing, this fixing of the price of raw commodities without any consideration as to how they are being used by the people. On the whole, this policy of fixing the price is nothing but a mere trick to divide the interests of the sugar-cane growers from those of the manufacturers. I do not think this can serve any useful purpose to either of the parties.

Much has been said in this House with regard to the solicitude of the Government for the interests of the agriculturist. We have heard so much talk about the poverty and the miseries of the poor agriculturist that I think it would not be out of place if I also dared express my views on this subject. Every one of us who gets up begins to talk about the agriculturist and pleads for a remedy which will somehow or other raise the prices, so that the condition of the poor agriculturist would thereby be better off than at present. I do not at all understand that by artificial means the prices of any commodity can be raised. There is always the law of supply and demand, and, when you increase the supply of any commodity, it is impossible for you to create an artificial demand and raise the price of that commodity. If the supply is more, the demand would naturally be less and the price would go down. It is impossible to check it from going down by any kind of artificial law. I may here remind my agriculturist friends that during the years of the Great War and some three or four years after, we know how well-off the agriculturists were. As far as I remember, from my own experience, the agriculturists from the villages came to the cities of Lahore and Amritsar to buy gold, and, Sir, they did not buy gold by ounces, but they always wanted to buy gold by pounds. The money-lenders were there, the same conditions were there, but still they had enough money to buy gold. Why? Because their products, that is, wheat and cotton were in demand and were bringing them high prices. They got a good price, and, therefore, they had enough money on their hands to deal with. It is the Government that want to raise more produce from land; the Government have got irrigation works throughout the country which are being more and more extended. The irrigated areas are producing more and more of wheat or cotton in larger and larger quantities than perhaps are needed by the people. Naturally, the prices of those commodities must fall; you cannot check it. I want to warn my friends of the Punjab with regard to the Sukkur Barrage scheme. When the land of Sindh is brought under irrigation by the Sukkur Barrage scheme, when that scheme is in working order, the cotton and wheat will be produced in such large quantities that it would be impossible for the agriculturist in the Punjab even to sell their commodities and get even the present low price. Let them carefully note that. So this is not the way. When we talk of raising the prices by artificial means, we are not correct. The only way, by which we can do a real

service to the cultivator of the soil, is that we should utilise this land for other purposes besides the common needs of growing wheat or cotton from it, and, Sir, for this purpose this sugar-cane is another great commodity which can be produced on this land, this industry will divert the agriculturist to ways whereby he can make a living by other means than the old-trodden ways of producing rice, wheat or cotton. Instead of trying to divide the interests of the agriculturist and the manufacturer, we should look to this most important fact that the greater the number of sugar factories, the greater would be the advantage to the agriculturist who would be in a position to cultivate sugar-cane and use his land for producing this new and valuable commodity.

We do sometimes see these sugar-cane growers complaining, because the manufacturers are said to treat them badly; but we must not forget the other side of the question. There was a time during the last 40 years or so when Java had been producing so much sugar-cane and so much sugar that they were taking away from us every year fifteen crores of rupees. Well, how could the sugar-cane growers of India then derive any benefit from this import of Java sugar? Further, it is said that our sugar has not become cheap. Of course, for two or three years, till this industry develops, we might have to buy sugar at the same rate, though I am told that sugar, since the protection, has become cheaper by Rs. 2-8-0 a maund. We are getting cheap sugar, and, at the same time, we are providing for large numbers of sugar-cane growing people and also for about 150,000 workmen, besides the dividends to those people who have invested their capital. These factories give employment to a large number of educated M.A.'s and B.A.'s who are working as sugar chemists and earning Rs. 500 to Rs. 1,000 a month. Therefore, it is the duty of everyone of us to help this industry and encourage it by every means possible. The prime duty of the Government is to take steps to increase the wealth and prosperity of the country and thus to encourage this as well as other industries. The greater the wealth of the country grows, the more income will the Government ultimately derive as revenue.

Here I may be permitted to make one remark about the position of money-lenders. We have heard so much talk that money-lenders are at the root of the misery of the agricultural classes. This theory of prejudice against the money-lenders was started in the Punjab 35 or 36 years ago. First of all was passed the Land Alienation Act. That Act has been in existence for the last 36 years, and we still have the same complaint that the miseries of the agriculturist are continuing. In this connection, I may add that Mr. Darling, I.C.S., who is an authority on this subject, has written a book, "Peasant Proprietors in the Punjab", and he has told us that one result of the Land Alienation Act has been that although the money-lenders cannot buy land, the big zamindars are purchasing the land of the poor zamindars, just like the big fish swallows the smaller fish. (Laughter.) That is the verdict of a man who is one of the greatest supporters of the agriculturist class on this point. As I mentioned above, there were agriculturists at the time of the Great War, and there were the money-lenders, but there was no misery of the agriculturist at that time.

Then, again, a few years ago, we had another law in the Punjab, called the Money-Lenders Act, the object was to discourage the money-lenders. The zamindars supported it and wanted that there should be no dealing with the money-lenders. A few years

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have just gone, the same cry goes on, and we have got another Bill before the Punjab Legislative Council. I want to point out that these laws are not the true remedy for the situation. I may also state that these agriculturists in the Punjab are defined like the caste system, by birth and not by occupation. I have the privilege to belong to the scheduled agricultural tribe. So I cannot be said to be prejudiced against them in any way. But what I want to point out is this that the real remedy is that no country in the world, and especially India at the present day, can live on agriculture alone. Agriculture could suffice when the population of India was not very large, but as the population of India is growing every year, agriculture alone is not sufficient to meet the needs of this growing population of India. Therefore, we shall have to turn to the development of industries in this country. Sugar industry is one instance. In spite of the people being somewhat diffident, they have invested so many crores in this industry, and this industry deserves to be encouraged and allowed some time to develop during the next three or four or five years. After this, the Government shall be welcome to levy any duty and make it a source of revenue in various ways. No doubt the agriculturists and the cultivators of the cane will also be willing to part with some of their earning to the Government. My point is that the Government are taking a very wrong step in this direction when they want, by means of an excise duty, to kill this industry which they have helped to start only one and a half years ago.

There is one more point to which I want to refer, and that is in reference to what my Honourable friend, Dr. Ziauddin, said in one of his speeches. He has made it a point to attack the sugar manufacturers whenever he gets an opportunity to do so. He said in his speech that the question of the excise duty was not a question that concerned the manufacturers. It was a question between the Government and the consumers. I would like to ask the Doctor what is the interest of the consumers? Does he think that the interest of the consumer demands that no industry should be developed in this country and that they should get everything cheap? If the consumers really want things cheap, they have plenty of opportunity to buy the Japanese articles and German made articles and not to care for the Indian industries at all. Does my friend understand what will be the consequences of this step? Why are we so anxious and try to stop the dumping of Japanese goods, and, on the other hand, why are the Japanese giving subsidies and bounties to their own industry? I think they are either fools or we are fools.

An Honourable Member: Both are.

Bhai Parma Nand: Are we? I do not know. My point is simply this. In this case, if you look to cheapness alone, then you should encourage the industries of Japan and Germany and never give a chance to your own country to develop your own industries. But if you care for your industries, the chance must come some day, and, whenever that chance comes, you must be prepared to make a little bit of sacrifice till the time when the nascent industries grow up. You cannot expect a child to compete with a trained wrestler. Japan, Germany and Java are like trained wrestlers. You cannot expect your industry, which is in an infant stage, to compete with well established foreign industries. You must suffer for a little while in order to do real and ultimate good to the consumers as well as to the country as a whole. That is my view. My

friend, Dr. Ziauddin, ought to know when he talks of the interest of consumers that the price of sugar too has gone down by Rs. 2-8-0 a maund. As long as Java holds the field, you cannot reduce it; but when you get your own manufacturers, by economic pressure or even by the help of legislation, you can have the price reduced to its proper level. It might come about that the consumers of this country might get sugar, say, at five rupees or six rupees per maund, instead of nine rupees per maund as it is today. At that time, your industry will have grown up sufficiently to be able to fight outsiders. What is the position now? I know it for a fact that Java is now ready with three million tons of sugar, and, as soon as you levy this excise duty and increase the cost of production, Java would flood the market with their sugar and sell below the cost of production, and if the factories of this country do not make any profit and run at a loss, the manufacturers shall have to close their factories. You have to look to the ultimate effects on the industry and not towards the immediate benefit.

Before I sit down, I want to mention another point. I put a short notice question to the Honourable the Finance Member; the question was, what would happen to the sugar, manufactured before the 1st April, but kept in the premises of the factory if the duty according to the Bill was to be levied by the 1st of April. Formerly they had plenty of time to dispose of their sugar, but in this case they have no time at their disposal. They have to keep their sugar and that sugar would be liable to excise duty if kept after 1st April, because, the railways are not giving facilities to dispose of their sugar. I put the question how could it be right for the Finance Member to tax that sugar which was manufactured before the 1st of April? The Honourable the Finance Member did not accept it as a short notice question, but he replied to it in the ordinary course, and, so far as I could see from that reply, the question was as it stood before and there was practically no answer. After that, I have received certain telegrams in which it was said that certain factories had stopped working before the 1st of April and their sugar was still lying in the premises of their factories. In case, they have stopped work before the 1st of April, the Government have no right to tax the sugar at all.

Dr. Ziauddin Ahmad: What are those factories?

Bhai Parma Nand: There is one at Deoband, one at Jhugli. They have said that they have stopped working. There are the telegrams that I have got. There may be others also, you will know if you make inquiries. Therefore, I submit that if the Government are going to make this Bill into law, the Honourable the Finance Member will be kind enough to look into this point that I have tried to explain. On the whole, I would oppose this Bill. I think it is premature. The Government should wait for three or four years and then come with this excise duty.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. A. Das (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, it was one of the proudest days for our country when at least

[Mr. A. Das.]

in one line one could say that this country has become self-supporting. One was expecting that this would continue, and not only that India would produce enough sugar for consumption in our own country, but we may be in a position to export it outside also. In this, not only is the country benefited, but the Government have had a considerable share in the shape of income-tax, super-tax and ten per cent duty on machinery. Out of 18 or 19 crores invested in over 100 factories in India, at least 18 crores was spent towards the machinery, and Government, I submit, have made at least one and a half crores over it. Now, when it appeared that there was no more chance of machineries being imported or the sugar mills being multiplied as the demand and the supply were nearly equal, this Bill has come as a bolt to these factories that are in the course of construction. When this excise duty is levied, it would have the effect of considerably reducing the profits of some companies and ruining almost all the distillery companies about which I am reliably informed that their margin of net profit is only one rupee per maund of sugar from *gur*, and if you impose a duty of nearly one rupee per maund, then they will have to close down. These new factories which are proposed to be started this year have to think twice whether it would be profitable for them to start the factories. As to the increase in the production of sugar, I would invite the attention of this House, since this duty was imposed, to a passage at pages (iii) and (iv) of Appendix I of "The Indian Sugar Industry" by Mr. Gandhi published in March, 1934, which runs as follows:

"Since the grant of protection to the industry, the increase in the number of sugar factories has been very satisfactory inasmuch as over 100 sugar factories of about 600 tons cane crushing capacity have been established within a year and a half of the date of the grant of protection. It is true that the quantum of protection recommended by the Tariff Board was Rs. 7-4-0 and that Rs. 1-13-0 is only a surcharge imposed purely for revenue reasons and not with a view to add to the protection accorded to the sugar industry, though the surcharge has had, according to the Government of India, necessarily that effect. While the industry may not ordinarily be able to protest against the suggestion of abolition of this surcharge which is purely a revenue measure the present position of the industry, as will be shown presently, makes it absolutely imperative that the surcharge should continue, if the industry in which over 15 crores of rupees are invested only during the last two years, is not to come to grief."

The author further says:

"As the Government are aware, the production of sugar in the country increased from 487,000 tons in 1931-32 to about 700,000 tons in 1932-33 and it is expected that during the year, 1933-34, the total production will be not less than 11 lakh tons, of which the production from factories alone would come to over 775,000 tons, the balance being production from indigenous methods. The import of sugar has gone down from 5,16,000 tons in 1931-32 to 4,01,000 tons in 1932 and only 1,62,000 tons during the seven months ended October, 1933."

This is all due to the giving of protection to the industry that so many factories have been established. The next point that I want to submit is this. It is very important to know what would be the effect of the imposition of this duty on sugar. My submission is that the factories, as at present constituted, do not make a profit of more than one and a half per cent on their present outturn, and, by the levy of this excise duty, the profits will be reduced still further and they may come down to one-half per cent. My Honourable friend, Lala Hari Raj Swarup, has already made an offer that if my Honourable friend, Dr. Ziauddin, could give the necessary security, he could take charge of all the factories in India or at least in my part of the country, the U. P., and give only a

profit of ten per cent to the millowners. What is the position as regards the recommendation of the Tariff Board about this sugar? The Tariff Board estimated that there would be a progressive decrease in the cost of production of sugar in India, and, in order to establish the factories successfully in India, they recommended a higher import duty for the first seven years, that is, Rs. 7-4-0 per cwt. and Rs. 6-4-0 for the next eight years and the total amount of duty has been even higher, with the surcharge it is Rs. 9-1-0, and, including the revenue surcharge of 25 per cent, the Tariff Board estimated the best price for selling sugar to be Rs. 9-5-0 per maund. The Tariff Board had recommended Rs. 9-5-0 during the first five years after the grant of protection, and Rs. 7-12-0 per maund at the end of the protective period of 15 years. This took account of Re. 0-10-8 as the realisation of the price of molasses during the first few years and Re. 0-6-9 at the end of the period. If we take the then price of molasses as the basic figure, the price of sugar on the calculation of the Tariff Board could be Rs. 10-5-0 at present and Rs. 8-3-2 at the end of 15 years. The Indian sugar has been selling at a very much lower price than the price calculated by the Tariff Board although, and there has been no return from molasses. This has been due to the internal competition which has been brought into play as a result of the establishment of a large number of factories. This is a very important point which I want to develop a little further. Whereas the Tariff Board, with this protective duty, recommended a selling price which it thought would be fair, namely, Rs. 9-5-9, and only Rs. 7 and odd at the end of the period, at the present price it is only Rs. 7-12-0 average if you take the average of the first and second class sugar. Again, Sir, I will give you a further account of this cost of production, and I am speaking subject to correction, because it will be for the Honourable the Finance Member to correct me if I am wrong. These are the recommendations of the Tariff Board report on page 69, paragraph 64. It will give you the fair price at the commencement of the period of protection, at the end of the protective period, and I am giving the actual figures in February, 1934:

	At commence- ment of protective period.	At end of protective period.	Actual as at February, 1934.
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Fair price of sugar	9 5 9	7 12 5	7 12 0
Of which, cost of cane	5 8 10	4 0 0	4 0 0
	3 12 11	3 12 5	3 12 0
Add back value of molasses	0 10 8	0 6 9	Nil
Balance to represent manufacturing cost, overhead charges and ten per cent profit on capital invested.	4 7 7	4 3 2	3 12 0

[Mr. A. Das.]

The figures shown in the last column represent the average market value ex-factory of Indian factory sugar in February, 1934, and the average cost of cane per maund of sugar at 0-6-0 delivered, with extraction at nine per cent.

The above table illustrates that notwithstanding the apparently high protective duty, the return to the factory to cover cost of production, overhead charges and profit is less by Re. 0-7-2 than that visualised by the Tariff Board at the end of the protective period, without taking into account the proposed excise duty of Re. 0-15-4·5 per maund. That is to say, that, whereas the Tariff Board considered that at the end of the period of protection, factories should, after paying for their cane, have Rs. 4-3-2 per maund for sugar to cover manufacturing cost (Rs. 2-7-6) overhead charges (0-10-0) and profit (Rs. 1-1-8), they now only have Rs. 3-12-0, and, if they have to bear the whole of the excise duty of Rs. 0-15-4·5, this may be reduced to Rs. 2-12-7·5 or barely sufficient to cover manufacturing costs, with no margin for overhead charges or profit.

I am giving you these figures, and I should like them to be checked. Of course, if the Bill goes into Select Committee, these points will be gone into, but at present we are concerned with whether the Bill should go to Select Committee or not. If these facts are correct, I submit that, whereas the Tariff Board recommended that there should be, after deducting the price of cane, a margin of Rs. 4-7-0 left over, it now hardly comes to Rs. 2-7-6.

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The result of this excise duty will be that, the profit would be reduced considerably, below ten per cent on an investment of 10 or 12 lakhs which is not fair. It will kill all the *gur* refineries, and they will have to close down. Then, if these factories do not utilise the whole of the cane or if the *gur* refineries close down, I think that will be a loss to the cultivator, because it is well known that, at this time of the year, sugar-cane, although the price to the cultivator is not even fair, is the only crop which pays and which pays much more than any other staple crop like wheat or gram or any other thing. But, in spite of that, I fully sympathise with what the Honourable the Finance Member has said at the time of his Budget speech. He said:

"Lastly, from the point of view of the general tax-paying public of India, who are neither sugar manufacturers nor cane-growers, we feel that it is fair that some steps should be taken to preserve revenue from this source. This case of sugar is an illustration of the great cost of protection to the country, and it is essential that the country should realise that if the development of local industries is to be obtained at this cost, then the public services of the country cannot be maintained unless other methods of indirect taxation to replace such loss of customs revenue are adopted."

That is quite true. That proposition which has been laid down by the Honourable the Finance Member I fully sympathise with. But the question is, how this revenue is to be made up? There are two or three suggestions which I should like to make in this connection. My first suggestion is that it may be possible that the *khandsari* industry may be included in this. Secondly, that, in order to enable Indian sugar to reach the furthest markets in India and Burma, the specific protective duty of Rs. 7-4-0 per cwt. should be increased to Rs. 7-12-0 per cwt. simultaneously with the imposition of the excise and during the continuance of the surcharge. Thirdly, that the duty should not be imposed before the 1st November. Fourthly, that the duty should apply only to sugar actually

produced on or after the 1st April, 1934, and be payable when issued from factories. As my friend, Bhai Parma Nand, said, it is not known why the 1st April has been fixed for taking account of all the sugar in the factories unless it be for the reason that the financial year commences from the 1st April. But I submit that as we are already late in the season and it is not possible to get this Bill actually passed by this Assembly before the middle of April, there would not be much loss of revenue if this proposition is left over till the Session at Simla. Then, the public would also be able to see and find out what are the other alternatives that can be put forward as to how this duty should be imposed, so that there may be no loss to Government, and also it may not seriously affect the various factories. Then, again, if this Bill comes into operation either in this form or in a modified form from the 1st November, then all the present difficulties about the non-supply of wagons, about forward sales and about those persons who have already disposed of their sugar will be obviated.

Then, also, I want to bring to the notice of the House that so far as the various Provincial Governments are concerned, like the United Provinces, Punjab and Bihar, all of them have discussed this in their Legislative Councils and have passed Resolutions to the effect that this duty is not in the interest either of the sugar grower or of the sugar manufacturer. At this moment what I submit is that I support the motion of my friend, Mr. Maswood Ahmad, for circulation of this Bill and eliciting opinion and that it should be considered at the July Session. But if that fails, I desire that these points should be considered by the Select Committee and sufficient time should be given to the Committee, so that all these points may be threshed out, and they should also take the help of one or two technical men who know all the ins and outs of the sugar industry.

Dr. Ziauddin Ahmad: Sir, I spent the major portion of the night in reading the pamphlets and books, etc., that have been piled in connection with this particular industry, and it has reminded me of the saying of Lord Crewe that you can have a propaganda on something, but you cannot have a propaganda on nothing. But here I find that the propaganda has been carried on on nothing. The theory of Lord Crewe that you must have something to carry on a propaganda falls to the ground, when I find that there is really no ground whatsoever for carrying on a propaganda in this particular case.

I have also been reading the Resolutions passed by the Local Councils both in my Province and the neighbouring Province of the Punjab, where a threat was given that if Members of the Assembly did not vote in favour of this industry, they will find it very hard in the next election. If that sort of thing is to be taken into consideration for each industry, then I think we better resign and not come to the Assembly to carry on our public duty. We are not here to represent certain interests only; we have really come here to give our opinion in the best interests of the people of the country as a whole, and not in the interests of a few persons who may be specially interested in one industry or another. We have been accused right and left in all these pamphlets that we have not carried out our obligations about protection. To my mind, it is an unjust accusation, and I will draw the attention of my Honourable friend, Mr. A. Das, who comes from the same constituency as I do and who knows the conditions of the sugar factories there, to certain recommendations of the Tariff Board. Before doing so, I would like to deal with one or two points mentioned by my friend, Bhai Parma Nand: he said that had there been a national Government and not

[Dr. Ziauddin Ahmad.]

a foreign Government, they could not have brought forward this proposal. I am sure that had there been a national Government, then this special surcharge of 25 per cent would not have existed in sugar. My friend would be right, if he substituted the capitalist Government in place of the national Government and the Government of the people in place of the Foreign Government. No Government except a Capitalist Government would support Bhai Parmo Nand. My friend also laid down a very important principle for my distinguished friend, Sir Joseph Bhore, to follow: he said, prices could not be regulated by manipulation: they could only be settled by the law of supply and demand. If we accept this principle, then all the tariff measures that we have passed would be out of place, and there would have been no necessity for them. However, this is a side issue.

I come again to the main issue. I maintain that whatever the Legislature promised as protection to this particular industry, we stand by it; we have absolutely no desire to withdraw an inch of the protection promised to this particular industry. We promised protection recommended by the Tariff Board:

"(27) We propose that for the first seven years the duty should be fixed at Rs 7-4-0 per cwt., and for the remaining period at Rs. 6-4-0 per cwt. The total protection thus granted would be approximately the same as would result from the imposition of a duty of Rs. 6-9-3 for the whole period of protection."

We stand by this, and there is absolutely no proposal on the part of any person to go against the recommendations of the Tariff Board. They say further:

"(29) We recommend that should the present international negotiations for stabilisation of prices fail or should market prices in Calcutta in the future fall below four rupees without duty, a further duty of eight annas per cwt. should immediately be imposed."

Here also we respect this particular recommendation. At present the prices are less than four rupees a maund, and, therefore, this additional duty of eight annas is given to them. Therefore, we respect all the recommendations, and we stand by them. But though we respect our obligations which we imposed on ourselves, I say that the manufacturers are not carrying out the obligations which were imposed on them by the recommendations of the Tariff Board:

"We consider that the scale for cane payment recommended by the Indian Sugar Committee, namely, a sliding scale based on price for cane equal to half the price of sugar manufactured from it subject to a minimum of six annas per maund is generally suitable. But in the first year of protection we consider that this should be increased by one anna per maund."

So the price to be paid to the growers of sugar-cane is to be worked on a formula price of sugar-cane, $\frac{S \times P}{200}$ which I shall discuss later. I will ask Mr. Das whether the sugar-cane growers are being paid seven annas in his constituency as recommended by the Tariff Board.

Mr. A. Das: They are being paid five or six annas.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Four annas and six pies in many places.

Seth Haji Abdoola Haroon: May I inform Dr. Ziauddin that the price of sugar has been said by the Tariff Board to be nine rupees, whereas the price is Rs. 7-12-0. Have you considered that point?

Dr. Ziauddin Ahmad: I said that in the first place the Tariff Board recommendations gave what is popularly known as an *ad valorem* or specific duty whichever will be the highest. The Tariff Board recommended a formula $\frac{S \times P}{200}$ or seven annas, whichever is the highest. The price of sugar will change the value in the formula, but it will not change seven annas.

Mr. A. Das: It was not compulsory in the United Provinces: only the suggestion is there.

Dr. Ziauddin Ahmad: One thing is that the Tariff Board recommended the minimum price to be fixed for the sugar-cane and the minimum was seven annas: my Honourable friend himself admitted that in his constituency on paper it was five annas, but if you make local inquiry, you will find that five annas was never paid

Lala Hari Raj Swarup: I challenge the statement "that five annas is never paid". We have paid up to nine annas this season in the Meerut Division.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): What about Bihar?

An Honourable Member: They are being paid at this rate also there.

Mr. M. Maswood Ahmad: They have been paid at the rate of four to five annas only.

Dr. Ziauddin Ahmad: Whatever that may be, the recommendations of the Tariff Board have not been carried out: my information is that it is about $3\frac{1}{2}$ annas

Mr. A. Das: And what about *gur* manufacturers? They pay only two annas.

Dr. Ziauddin Ahmad: My point holds good: the recommendation of the Tariff Board has not been carried out. Further, they recommended a regular inquiry by the Government in para. 40 of their summary. They say:

"If our scheme of protection is accepted, we consider that legislation should be introduced making it compulsory for sugar factories to submit such returns or information as may be called for by the Governor General in Council or any officer authorised by him in this behalf."

Now, do they send these accounts year after year? That would have enabled the public to judge whether they are really making enormous profits or not. They have not carried out this particular obligation.

Seth Haji Abdoolah Haroon: Did anybody ask for a balance sheet?

Dr. Ziauddin Ahmad: This is really in the Bill against which you are carrying on propaganda. This is really the first attempt of the Government to carry out this obligation which you have ignored for the last two years, and the very moment they present a Bill to regulate these two conditions, a whole propaganda has been carried on against them. As far as we are concerned, I say we are carrying out our obligations. As far as the manufacturers are concerned, they are not carrying out their obligations

Bhai Parma Nand: Did you inform them of this principle? Did you give them notice, and they did not follow it?

Dr. Ziauddin Ahmad: There is the Tariff Board Report: ignorance of law is no excuse and every Member must know the Tariff Board's recommendations.

Mr. S. C. Sen (Bengal National Chamber of Commerce: Indian Commerce): Is that the law?

Dr. Ziauddin Ahmad: Well, let me go ahead. (Laughter.) In 1931, the Honourable the Finance Member, on account of revenue embarrassment, brought forward a kind of omnibus Resolution, raising, for revenue purposes, the duty by 25 per cent. We from this side of the House objected that it was not right. Each commodity should have been examined separately and the revenue should have been increased in each case on merits. But the embarrassment was very great, and, without carefully going into the whole question, this Resolution was accepted and we put on 25 per cent surcharge on every commodity. This 25 per cent surcharge was not put on in the interests of the manufacturer; it was not really given as an additional protection to them; it was only put on for revenue purposes thinking that this surcharge would bring in more revenue

Lala Hari Raj Swarup: Did not Government suggest then

Dr. Ziauddin Ahmad: I am coming to it.

Mr. President (The Honourable Sir Shanmukham Chetty): All this time will be counted against the Doctor.

Dr. Ziauddin Ahmad: All right, Sir. As I say, this surcharge was put on for revenue purposes, and it was really a great mistake, and the Government, having now realised that mistake, want to rectify it. Therefore, the whole question is not whether the sugar industry should or should not get the promised protection.—whatever protection was promised to it is being given. Whatever surcharge was put, was merely for revenue purposes, but it has not increased the revenue, and so Government want to rectify their mistake now, and the whole propaganda that is carried on is to compel us that the mistake should not be rectified. What the manufacturers want is not protection,—we don't deny them the protection that was promised,—but what they really want is that the mistake which we committed in 1931 should not be rectified. This is the whole substance of the propaganda about sugar duty. The simple proposition is this. By reason of the 25 per cent duty, it was raised from Rs. 7-4-0 to Rs. 9-1-0. Now, we say we rectify the mistake and we give them Rs. 7-4-0 as promised *plus* eight annas which was promised on account of the fact that the Java sugar was selling at less than four rupees per maund, and thus they get Rs. 7-12-0. Therefore, the question is this, whether the import duty should be reduced from Rs. 9-1-0 to Rs. 7-12-0, or a uniform additional duty of Rs. 1-5-0 on all classes should be levied. This is really not a question between the Finance Member and the manufacturers. The manufacturers have got the protection they were promised, namely, Rs. 7-12-0, but now the Finance Member comes forward and says that for revenue purposes he wants more money, and

that he wants to collect it from the sugar industry. In the Assembly, we may say, do not collect the money from sugar, you can collect it from some other commodity, reduce the import duty from Rs. 9-1-0 to Rs. 7-12-0 and finish the matter. If we adopt that line of argument, then we will have to suggest some other commodity from which he can get some money. If, however, we cannot suggest any particular commodity on which to impose a revenue duty, then we will have to agree with the Government and impose a duty of Rs. 1-5-0 uniformly on all sugar, whether imported from outside or manufactured in India, and that is really a question between the consumer and the Government, and not between the Government and the manufacturer, because if you put Rs. 1-5-0 additional duty on imported sugar and also an excise duty on the sugar made in this country, then the price level will naturally go up, and the burden will fall entirely on the consumers. Therefore, if they reduce the price from Rs. 9-1-0 to Rs. 7-12-0 and do not put on an excise duty, the sugar will be cheaper and the consumer will be benefited, while the Government will lose. If we put on a uniform duty, the Government will gain and the manufacturers will be just in the same position as they are now. Therefore, this really is not a question between the Government and the manufacturers, and the latter are carrying on a propaganda on nothing and against the theory of Lord Crewe.

Now, Sir, much has been said about high profits, and so on. I would like to ask the representatives of manufacturers on the floor of the House whether they are willing to take only ten per cent on the capital at charge, and to surrender to public funds whatever more they get. There are so many capitalists present here, and I ask them whether they are willing to accept this

Lala Hari Raj Swarup: What is the meaning of capital at charge?

Dr. Ziauddin Ahmad: Take ten per cent. on the capital at charge and whatever more you will get you will have to surrender to public funds. Are you willing?

Lala Hari Raj Swarup: Yes, we agree.

Dr. Ziauddin Ahmad: I take it that our friends interested in the sugar industry agree to take only ten per cent profits, and whatever balance remains out of the profits would be given over to public funds, and, therefore, we can take it that the additional profits these people will make can be regarded as public money

Several Honourable Members: They won't show any profits.

Dr. Ziauddin Ahmad: Now, I shall ask a further question. They are now the custodian of public funds. They must try and work the business more vigorously, and if they fail in their duty and work the business in a leisurely fashion, there should be a penal clause. Will you accept the penal clause?

Lala Hari Raj Swarup: We shall agree to the proposal if the Government will take over our concerns, and run them as State concerns.

Dr. Ziauddin Ahmad: Now, Sir, we have heard a good deal on the floor of the House that the price of sugar has gone down by two rupees. The price may have gone down in the books and papers of the manufacturers, but, as far as we consumers are concerned, we find that we are paying in 1934 just the same price as we paid in 1933 or 1932, and, as far as we are concerned, we do not find there is any fall in the price.

An Honourable Member: Sometimes we have to pay three pice more.

Dr. Ziauddin Ahmad: The manufacturers may show a decline in price of sugar in their books, but we the consumers have to pay the same price as we paid during the last two years.

Now, Sir, there are one or two points to which I should like to invite the attention of the House. A sugar manufacturer, in his individual capacity, may not attend to them, but the Sugar Association should pay some attention to them. First, about the use of the molasses. They have said repeatedly in each pamphlet which is now before me that the molasses have got absolutely no value, that they actually have to spend some money in removing it from the factories to some convenient distance. Sir, I have got a book written by Mr. Gandhi who is a great advocate of manufacturers, and he himself has suggested that molasses should be utilised. He suggests that they should be utilised for making some kind of alcohol, and that molasses form the cheapest raw material for making alcohol for industrial purposes. Mr. Gandhi in his book discusses various legislative measures that have been adopted by various countries in order to regulate the mixture of petrol and alcohol for burning purposes. This is what he says:

"No attempt has been made by these manufacturers and manufacturing associations to do something in this direction and utilise their molasses for the manufacture of alcohol. They are only interested in their profits."

Had they done this particular thing, then probably the margin of their profits would have increased. The advantage of an organised industry is that the bye-products are utilised, but in this case they have failed in their duty and they have done practically nothing to make use of.

Bhai Parma Nand: Who have failed in their duty. The Government or the manufacturers?

Dr. Ziauddin Ahmad: I am talking about the manufacturers.

Bhai Parma Nand: Government ought to give them licence to start distilleries.

Dr. Ziauddin Ahmad: The next complaint I have to make is about the use of bagasse. The bagasses can be put in this country for manufacturing inferior grades of paper and in the manufacture of packing papers and fibre boards. These are the two special articles in which these bagasses can be utilised, and I find that we import something like 100 crores worth of this paper from outside. This could be manufactured by means of the bagasse which is really left out after taking the juice from the cane is squeezed out. It is rather unfortunate that they are using the old fashioned methods and using the bagasse as

fuel and thus wasting the wealth of the country. I have got also some calculations. It is said that $1\frac{1}{2}$ tons of these bagasses give the same heat as a ton of coal. This really means that the value of one maund of bagasse is five annas. One maund of bagasse gives the same heat as coal worth five annas. That means, whatever is left out after the juice has been taken out, is equivalent to five annas per maund. Then, may I ask, is not the sugar-cane juice more expensive than the bagasse which is left out? Certainly sugar-cane juice is more expensive, and hence the value of sugar-cane must be more than five annas.

Seth Haji Abdoola Haroon: The manufacturers are using these bagasses as fuel in their own factories; they are not selling them.

Dr. Ziauddin Ahmad: As my Honourable friend has drawn attention to it, let me read from the same book which advocates what my Honourable friend says. At page 130, it says—

"In the International Sugar Journal for the month of August, 1929, Mr. E. L. Squires observes 'Apparently bagasse is a very high priced fuel and it might be better to burn the sugar'."

It is a great misuse of the bagasse to use it as fuel. It is an expensive article which can be utilised for the manufacture of paper and other articles.

Mr. B. Das (Orissa Division: Non-Muhammadan): Will you please read the next sentence?

Dr. Ziauddin Ahmad: That I leave to you.

The point I want to make out is this. When bagasse is worth five annas a maund, sugar-cane with the juice in it must certainly be worth more, at least seven annas,—as recommended by the Tariff Board—and this is the price which the sugar manufacturers have never paid to the sugar-cane growers. These manufacturers have done everything for their own personal gain and for their personal profit, and nothing for the benefit of the sugar-cane growers. We have given a donation of eight crores to these manufacturers. The income from sugar was Rs. 10·68 crores in 1930-31, and by the surcharge the income has been reduced to about Rs. two crores and five lakhs, which is the Budget for 1934-35. This really means that we have given a donation of eight crores every year. This is a very big contribution from the tax-payer to the manufacturers of sugar. We want to continue this thing, but what we want is that they should rectify their mistakes.

Before I sit down, let me summarise by position. We on this side 3 P.M. of the House stand by the recommendations of the Tariff Board. We do not want to move an inch from their recommendations, but we also want that their other recommendations should be made obligatory on the manufacturers also. Whatever conditions the Tariff Board have imposed on the manufacturers must be literally followed. We have discussed the Fiscal Commission's recommendations on the point, and I do not want to repeat them now. But, I say that, whenever protection is given, there should be a regular supervision, there must be a periodical checking of accounts, to see that the protection is utilised for the benefit of the people and not for the benefit of the capitalists. With these words, I support the motion for reference of the Bill to a Select Committee.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): I have a difficult duty to discharge, because, following the discussion on this Bill, I have not quite made up my mind as to what extent I should support the Government's proposals. A great deal of prejudice has been introduced in the consideration of this question by certain facts and by certain allegations. Let me assume, at the very outset, that there are some factories which produce white sugar, which have abused the privileges that we conferred on them, which are making enormous profits out of proportion to what they might reasonably expect. Let me assume also,—because I have not got the data to deny* it—that Honourable Members who have said that the cane grower is not getting an economic price for his cane in some at least of these factories, are also correct. But having assumed both these propositions, I still venture to think that a great deal has to be said in favour of the industry as a whole and that, in the prejudice that has been accumulated owing to the undoubted facts with reference to some of these factories, the position of the industry in all parts of India has not been carefully considered. My main point would be, as I develop my arguments, that, while it may be true that in the United Provinces in particular, certain factories have made large profits and have not been fair to the consumers or to the cane-growers, it cannot be established as a proposition beyond dispute indeed it cannot be established at all, even with all the information that is at the disposal of the Honourable the Finance Member, that in other Provinces either extravagant profits have been made or the agriculturist has been penalised.

Mr. Muhammad Yamin Khan: What has been paid in Madras?

Diwan Bahadur A. Ramaswami Mudaliar: I will come to the various Provinces and show to the House that you would be jeopardising the future of the industry in those Provinces if you take as a model the conduct—I won't say of all the factories in the United provinces, but of some of the factories. Let me also state that what has been whispered in the lobbies in this House as to the position of the factories nearest the seat of the Government of India,—whispers that have gone round of extravagant and fabulous profits that have been made by some of these factories—have gravely prejudiced,—I shall not go so far as to say have unduly deflected—the mind of the Honourable the Finance Member. My Honourable friend suggested that this industry has got protection beyond what it needs, that under this protection it has been able to make excessive profits and that the time has come when an excise duty would be fair to the consumer, fair to the general tax-payer and that the industry should, therefore, be made to pay the excise duty. I am one of those who feel that where an industry has been allowed to grow under the shadow of a high tariff wall, if and when the industry has established itself beyond all reasonable chances of its being shaken or unduly disturbed, that at that time an excise duty is a fair proposition and no industry can complain if such excise duty is levied. The question, therefore, before this House is this, taking the industry as a whole, has the time come when either the Government or we on this side of the House can say that the industry is well and truly established, that there is no fear of any adverse winds blowing and making that industry totter either as a whole or in any parts of this country to any serious extent, and if that proposition is not proved, then I venture to suggest that the excise duty, while not bad in itself, is, to say the least, a bit premature.

My Honourable friend, the Finance Member, referred to the high tariff wall. May I remind this House and may I remind my Honourable friend, the Finance Member, that it was not part of the case of the industry that that high tariff wall should be levied, that it was not their case that Rs. 9-1-0 should be the protective duty on a hundred-weight of imported sugar, that it was levied by him as a revenue duty, and that the question of protection for this industry was discussed and decided on by this House after the levy of this Rs. 9-1-0 duty. My Honourable friend, the other day, issued a challenge to all and sundry in this House and outside this House to show a single item in his carefully planned out customs duties where it can be said that the duty has been levied at such high rates that the law of diminishing returns has begun to operate. He said that he had made very careful investigation and calculation before this high tariff duty or customs duty or surcharge had been levied. This is a classic example, if I might say so, where the Honourable Member seeking to levy a revenue duty, obviously trying to augment his resources, has gone very wide of the mark, has overshot the mark, if I may say so, and, instead of augmenting his revenue, has considerably diminished his revenue, but it is unfair to suggest that this is the fault of the industry. It is unfair to suggest that they asked for a protective duty of Rs. 9-1-0. It is the Government's own fault, as my friend, Dr. Ziauddin, has said. I read somewhere that in the old classical days there were a set of people who were called Hyperboreans. They believed, that, while at the place where they stood in the northern latitude, they had cold blasts of wind blowing on them with uncomfortable severity, if they could only move further north and go on moving northwards, they would come to a region where they would have hot winds and a delightful atmosphere. My Honourable friend had cold blasts of financial wind blowing on him when he had the rate of customs duty of 1931, and he levied a surcharge of 25 per cent thinking that he would enter a region of warm winds, where revenues will be plentiful and the exchequer will be full. Who is to blame if the ordinary laws began to operate and this duty has been responsible for a big drop in the customs revenue that he hoped to obtain.

Then, Sir, a great deal has been said about prices. I say, again, that I keep an open mind about the extent to which excise duty can be levied on this industry and an open mind as regards the extent of profits that have been made by particular concerns, but I venture still to think that the extent of prices that prevail in the country are an indication of whether some at least of these concerns make an inordinate profit or whether they are making just the necessary profit to keep their business going. Let me quote an extract, not from a propagandist for whom my friend, Dr. Ziauddin, has suddenly found an aversion. I know the days when propaganda was welcomed by all of us with reference to the Reserve Bank Bill, but let me take not the message of a propagandist, but the considered views of a Government expert. Now, Sir, there is a distinction which even my friend, Dr. Ziauddin, will recognise between a protective duty of Rs. 7-12-0, and a protective duty of Rs. 9-1-0 *minus* an excise duty of Rs. 1-5-0. The fallacy to which this House has been asked to commit itself is this, that the difference is exactly the same, that these things work out on an arithmetical basis, that it is a simple question of addition and subtraction—Rs. 9-1-0 high tariff duty on one side *minus* Rs. 1-5-0 excise duty gives a protection of Rs. 7-12-0. Therefore, *quod erat demonstrandum* an

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 excise duty of Rs. 1-5-0 is no more detrimental to the trade than the lowering of the tariff duty to Rs. 7-12-0. Surely my Honourable friend, the Finance Member, does not think that these two propositions are indetical, that what you take away with the right hand from the industry in the way of excise duty can ever be made up by a high level of protective duty. Any man with commercial and business aptitude will tell you that there is a wide difference between these two propositions and that the results of these two processes are not identical, but let me go a step further. The Rs. 9-1-0 tariff duty may be effective if the price which the internal commodity gets is exactly the same price as that at which the imported article sells in the open market; but what are the facts? My Honourable friend has got through the Director of Commercial Intelligence all the facts and figures at his disposal. I hope he will place them before the Select Committee, but I am given to understand from those, who are in a position to know these things, from an authoritative Government spokesman, that there is no parity between the price of internal sugar and the price of the imported Java sugar. If that is so, the whole superstructure of my Honourable friend, this house of cards that he has so elaborately built up, falls to the ground. Let me quote what Mr. Srivastava, the Technologist in Sugar and a Government expert, has to say on the subject in June, 1933. Says Mr. Srivastava:

"In the case of sugar made in India, which has lost its parity with Java sugar during the last year, there is every prospect of a sharp decline in prices when the four dozen new factories under construction this year commence manufacturing during the next season. The experience of the season which is just finished shows that most of the new factories were obliged to sell sugar at any price for want of warehouse accommodation and also in order to raise funds for paying instalments of the price of machinery and for completing the building. If, as appears likely, this is repeated next season also, the price of sugar is certain to decline. Moreover, as production comes closer to consumption, sugar will have to be transported to distant markets, the high freight charges to which will result in a lower ex-factory price level."

This is a statement not of one who is interested in making high profits, but of an absolutely impartial gentleman who has taken a whole survey of this sugar industry and who has tried to come to a conclusion barely on the merits of the case. He tells us that the parity between Java sugar and the internal sugar has been left long behind, and, if that is so, then I ask, again,—what is the use of putting this equation before this House—Rs. 9-1-0, minus Rs. 1-5-0, is equal to Rs. 7-12-0. Arithmetically yes, but commercially no, and the Honourable the Finance Member knows that that is a fact. Now, Sir, since that time prices have still further fallen down; and, at the present moment, those who are in a position to know the facts say again that there is a fall of two rupees per maund between the internally produced sugar and the imported Java sugar. Now, if that is so, I ask, again,—how is the Honourable the Finance Member justified in treating this excise duty as a mere adjustment to bring down the profits to the level which the Tariff Board required when it suggested a tariff duty of Rs. 7-12-0.

Sir, a great deal has been said about the price paid for sugar-cane. We are going to have a discussion on the Bill which, I believe, my friend, Mr. Bajpai, is introducing regarding the fixation of the price of sugar-cane. I am at one with those who think that the agriculturist should have his fair and due share. In fact, if you have read the report of the Tariff Board, you will realise that this industry is sought to be protected as much at least in

the interests of agriculture, nay, more, in the interests of the agriculturists than even in the interests of the factory owners, the makers of sugar out of sugar-cane. Therefore, I am at one with anybody who will suggest that a fair price should be given to the actual cultivator. Now my friend, Mr. Bajpai, is going to do it, whether his Bill will accomplish that purpose or fall far short of what is necessary, whether it could be improved by amendments in this House, we shall discuss a little later when we take up the consideration of that question. But I want again to tell my Honourable friend, through the unimpeachable testimony of his own official witnesses, that it is a most unfair proposition to suggest that the cane growers have always and in every Province suffered. I can say, without fear of contradiction, backed up by the authority of my Government and of those who are in a position to know the facts, that, so far as Madras is concerned, no sugar-cane cultivator is in a position to complain of unfair prices.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): I deny that proposition.

Diwan Bahadur A. Ramaswami Mudaliar: Does my Honourable friend send his sugar-cane to the factories?

Raja Bahadur G. Krishnamachariar: No, Sir, I am a poor grower, and I am not a factory owner. That is the whole trouble.

Diwan Bahadur A. Ramaswami Mudaliar: My Honourable friend has not followed the speech of my Honourable friend. The question is, whether the factory owner is paying a fair price to the cane grower or not. If my Honourable friend grows cane at places where there are no factories established, if he can only send it to the *gur* manufacturer, then my Honourable friend is certainly in that unhappy position, and, therefore, I ask my Honourable friend to support me; let him see that new factories are established in Madras; let him see that the new factories have got a bare chance of living, let him see that these factories are not killed before they are born, let them not suffer from infanticide before they have even come out of the womb.

Now, Sir, I was suggesting that it is not a fact that in every Province the cane grower has not got that price which he is expected to get. Let me quote the evidence of a gentleman from Bihar and Orissa. If the United Provinces is growing a large amount of sugar-cane and using a large amount of sugar-cane, Bihar and Orissa is at least second only to the United Provinces. And what does Mr. Prior say—the gentleman who is the Revenue Secretary of the Government of Bihar and Orissa? At a Conference the other day at Simla—and I wish that the proceedings of that Conference had been studied more carefully by Members of this House before they made such violent attacks on the industry as a whole—Mr. Prior said:

“As far as my Government is concerned”

—and that is the responsible Government of Bihar and Orissa—

“as far as my Government have been able to obtain information, the factories in Bihar this year intended to pay to the cultivator on the average five and a half annas per maund of cane. It is admitted, however, that they did not succeed in doing so on all occasions. If that five and a half annas which the factories on the average intended to pay had actually been paid to the cultivators, my Government are of opinion that the distribution would have been fair. But they realize that this money was not paid and the reasons why it was not paid are partly because there was inaccurate weighing on the weigh-bridge and partly because a large number of

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factories buy their cane from contractors. The factory manager can only ensure, as long as he continues to buy cane through contractors, that the money is paid to the contractors. He cannot ensure that the actual cultivator gets the benefit of that and that is where the difficulty comes in in fixing prices for sugar-cane. He cannot ensure what that contractor pays to the ryot; and my Government are afraid that in the last year the contractors did take a disproportionately large share out of the profits that accrued in the sugar industry."

Therefore, what is the good of blaming the factory owner all the time? What is the good of telling me that he is crushing the poor sugar-cane grower? As I said, I am perfectly willing that some satisfactory method should be found whereby the sugar-cane grower must have his proper protection and get that fair price which he is entitled to get.

Mr. B. Das: How many instances are there in which the contractors are related to the managing agents of these sugar factories in Bihar?

An Honourable Member: All of them.

Diwan Bahadur A. Ramaswami Mudaliar: Well, the simple remedy for that is to license your contractors, to see to it that only licensed contractors supply these materials to the factories, and not to blame the factories for purchasing sugar-cane at low parity prices. Here is a responsible officer of the Government of Bihar and Orissa who specifically exculpates the factory owners in that Province. If my friend, Mr. B. Das, thinks that the factory owners in his Province are so hopelessly abandoned that they do not pay fair prices, that they have their own relations as contractors, and that the managing agents thus make profits from both sides, then all I can say is—amalgamated as the two Provinces of Bihar and Orissa are, they are bad enough, and I do not know what they will be when they are separated. (Laughter.) At any rate, it would be a good idea if the Legislatures and the Governments, at least with some outside help, put forward a sensible legislation on such subjects, and in Bihar and Orissa in particular. (Hear, hear.)

Mr. B. Das: May I remind my Honourable friend that that was the recommendation of the Select Committee on the Sugar Protection Bill, but the predecessor of the Honourable the Commerce Member and the Government did not accept our suggestion.

Diwan Bahadur A. Ramaswami Mudaliar: Now, Sir, I thought there was some cynicism imported into this debate at the idea that the country should be going in for this high protective tariff merely for the luxury of having an article completely manufactured within its own borders, the idea some have about the sentimental pleasure which the consumer has in having this high tariff duty and in getting the manufacturers such huge profits. Sir, the world is ruled by sentiment after all, and as my friend, Mr. Hari Raj Swarup, has pointed out, the United Kingdom, which is supposed to be non-sentimental, has a high tariff duty and in addition to that has spent Rs. 35 crores during the last ten years in order to build up a sugar industry when, from its colonies, it could import all the sugar it requires at very low prices.

Mr. G. S. Hardy (Government of India: Nominated Official): They had also an excise duty, Sir.

Diwan Bahadur A. Ramaswami Mudaliar: I am coming to that excise duty. They had their excise duty when they had developed their industry for a number of years—not a couple of years—not when the industry had not had time to take root, not when new companies had not been formed, not when the machinery was on the high seas and had not yet arrived—not at that time at any rate. Sir, if a sentimental pleasure is to be derived from these things, if Mr. Baldwin is one of those who are given to sentimental pleasure and for that can give up thirty five crores of rupees, if Mr. Neville Chamberlain is one of those gentlemen who, for the sake of sentimental pleasure, would have all these burdens on the general tax-payer and the consumer, I prefer to be among those who partake of that sentimental pleasure and would willingly have in this country an industry thrive and flourish which will be a matter of pride to this country and of satisfaction to all those consumers and producers. Is this House to be animated in this legislation by such wide national sympathies, or is it to take refuge in mere dry political aphorisms which are repeated from day to day. I am sorry that there is an idea that when there is some difference of opinion regarding protection, that difference of opinion ought to be welcomed, encouraged and exploited, the differences between those who are for protection and those who are for free trade. Sir, I do not know whether, at this time, there is a single country which believes in the old worn-out principles of Cobden with regard to free trade. I thought that notion of free trade was dead as Queen Aune and that no country in the world today would resort to those free trade principles, and India in particular, with her desire to develop her industries, cannot afford to indulge indiscriminately in such principles. But what are the facts with reference to this particular industry? Who are the consumers of this white sugar and who are those who pay for this protection? I see that my Honourable friend, Mr. Yamin Khan, is taking down notes. I hope to hear from him an enlightened argument. My Honourable friend has spoken very often of rural interests and urban interests, of the poor agriculturists and of the capitalists in the city? Will my Honourable friend please tell me who are the consumers who are being taxed in this case, and who are the people that are going to be benefited, provided, of course, that the sugar-cane cultivator gets his fair price for the sugar-cane that he supplies? Let me tell this House what the Tariff Board has pointed out on this subject. Let me give them an idea of the sort of people who are benefited by this industry and the sort of people who are hardened by this industry by this high tariff duty and by the development of this industry. The Bihar and Orissa Government—I am sorry I have to refer to the Government of my Honourable friend, Mr. B. Das, once more—in a statement of the Tariff Board on the subject state as follows on page 91.

"On the whole, it appears that there is a good deal of evidence that *gur* prices are not at all closely linked with sugar prices, and that the burden of the sugar duty is borne mainly by the more well-to-do section of the urban population."

Sir, as is well known, there are two kinds of sugar manufacturers in this country. The *gur* sugar, which is consumed in villages, is not affected by this Bill and is not seriously in competition with the white sugar, or rather the reverse is the case, namely, the white sugar is not closely in competition with *gur*. That is the finding of the Tariff Board and that is the experience of the people. It is consumed mainly in cities. It is consumed by those classes who have developed a taste for the cup that cheers, but not inebriates, and it is that kind

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of people that will have to pay the higher duty or the higher taxes owing to these tariff and excise duties. But let us see what the Tariff Board itself says on the subject:

"We believe we are justified in assuming, therefore, that the agriculturists, who are the poorest as well as the largest class in India, will incur very little, if any, additional expenditure as a result of the protective duty on sugar. On the other hand (*I hope my Honourable friends will pay attention to this*), the gain which will accrue to the agriculture from the extension of white sugar factories, the exclusion of foreign sugar and the prevention of the manufacture of imitation or adulterated *gur* should far outweigh any disadvantage resulting from an increase in the price of imported sugar above the prevailing low level. The duty will, we believe, be borne in the main by the urban population, but even here the incidence of taxation will be higher per head in the case of the well-to-do and middle classes."

Then follows a very significant passage to which my Honourable friends have not paid due attention:

"It may also be pointed out that hitherto on balance the burden imposed by the adoption of a system of protection has been borne by the agriculturist for the benefit of the urban industrial population."

I wish my Honourable friend, Mr. Mody, was here to give his attention to these words:

"It is the first occasion on which proposals for protection will be of direct advantage to the rural classes, both agriculturists and labourers, and there is, therefore, perhaps a rough justice about the proposals which should appeal to the unbiassed observer. . . In the towns, the incidence of the duty per head will be higher in the case of the richer and middle class consumers who are best able to bear it, while it is not unreasonable to expect that the urban population who have mainly benefited from the adoption of a policy of protection, should in turn be prepared to bear some burden for the benefit of the agricultural classes."

Here is an industry, if ever there was an industry, where the incidence of taxation is on the middle classes and the well-to-do people and the benefit goes to the agriculturist and the labourer. Is that an industry on which rough hands can be laid before it has found its feet? Hands can be laid which will only have one effect, the effect of crushing it before it is born. I may be told that I am making an extravagant statement. I hope they are extravagant statements. None will be better pleased than myself if it is shown to me in the Select Committee that these statements are extravagant and that there is no danger of the infant industry dying. But I am now speaking particularly for those mills and for those factories which have come into existence in the course of this year and which will come into existence in the course of the next year. If this industry is asked to pay Rs. 1-5-0 per cwt. even before they have started to capture a market from the well established older industries which have made their profits according to the Honourable the Finance Member, which have built up their reserves and which have got back their capital, then, I ask, what will be the fate of these new factories in Bengal, in the United Provinces and in Bihar and Orissa and in the Punjab, and lastly, in Madras? There are some in Bengal. My Honourable friends have been talking about the position of Bengal. But they do not realise, as some of us have realised, that from investigations with reference to every industry the Province of Bengal shows the blackest record as compared with any other Province. No industry has been encouraged in Bengal. When my Honourable friend, Sir Joseph Bhore, makes the motion for the consideration of the Select Committee's report on the Textile and the Sericulture

Bills, perhaps my friend, Mr. Neogy, will be in a better position to tell the House what exactly the Government of Bengal have done with reference to these industries. It is the same black, sad story with reference to every other matter connected with the industrial development of the Province.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadian Rural): It has the specialised industry of law and order!

Diwan Bahadur A. Ramaswami Mudaliar: My Honourable friend, Mr. Neogy, has taken the words out of my mouth. Now, Sir, fortunately or unfortunately for the Province of Bengal, the Government have at last turned their attention to the question of sugar-cane production and the construction of sugar factories in Bengal. Four factories are going to be established in the course of this year and the next year. Let me read from a pamphlet—again an official publication of the Government of Bengal.

Mr. Muhammad Yamin Khan: What is the date of the pamphlet?

Diwan Bahadur A. Ramaswami Mudaliar: This was probably written in 1929. It says:

"There are about 12 sugar factories in the United Provinces, 11 in Bihar and Orissa, six in Madras and two in Bombay; but there is not a single factory in Bengal."

This is as true today as it was then. Of course, the figures with reference to the United Provinces have gone up much higher. I need not be a resident of Meerut to find that out:

"The possibilities of starting sugar factories in this Province have been fully discussed by the Tariff Board in their report to the Government of India on the sugar industry (*therefore it must be about 1931 or 1932*), and the annual Reports of the Bengal Agricultural Department show that there are several places where the surplus of cane remaining after fully meeting the demand for *gur* can feed a number of factories in Bengal. Moreover, the ryots of Bengal have been faced with a serious crisis, owing to a considerable fall in the price of their agricultural produce, and Government are advising them to restrict the area under jute and utilise the land for sugar-cane cultivation wherever possible. So the establishment of a factory industry for the manufacture of sugar direct from cane will lead the ryots to produce sugar-cane as a good and profitable substitute for jute."

In accordance with that recommendation of the Government of Bengal and on the promise made by this House that it will foster and develop the industry and not merely maintain an industry which is already on its feet and whose factories have already been established, these poor people of Bengal have come forward to risk their capital in these concerns. I do not know whether they are the widows or the children. I leave that for the investigation of the Finance Department. But I know that some people have come forward to put up the capital and float these four factories. The same is the case in Madras where four or five new factories have been started. Madras is the place where sugar-cane can best be cultivated and Madras will soon be in a position to find herself on her feet.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

The other day, my Honourable friend, Mr. Jagan Nath Aggarwal, twitted the Madrasees and said that there was only a "one way traffic." Sir, we admit with regret that there is a one way traffic, but that traffic

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is only for poor accountants and clerks getting only Rs. 30 or Rs. 40 or Rs. 50, a mere pittance, and perhaps occasionally a Budget Officer or a Finance Officer, and that is all. The total value of the salaries earned by these gentlemen, who come on the one way traffic, and the value derived by these men from the one-way traffic is infinitesimal if you take into consideration the other way traffic to Madras of all the commercial people from the Punjab and Marwar and Bombay. My Honourable friend over there (Mr. Pandya) is a glorious instance in point that we have actually returned to this Legislature a non-Madrasi Commercial representative and that shows the extent of catholicity which we, Madrasis, have in regard to these matters. We have no such provincial jealousies, we are perfectly willing to have the Punjabi, the Guzerati, the Marwari and the Bombayite, and, in fact, they are all thriving in my Province. We welcome them and we give them all the assistance that we can, and we want them to go there and exploit the industrial resources of the Province. You have a commercial head, and by all means let them go to Madras and exploit it. If we can do some other work, which you cannot possibly do, why grudge us our opportunities? That is only, Mr. Deputy President, by the way.

As I said, Madras, Bengal and Bombay have been importing machinery and my Honourable friend, the Finance Member, was very angry when the charge was made that there was some sort of breach of faith on the part of Government. Now, put yourself in the attitude of these new companies that have been just floated, and I know a number of them have been floated within the last three or four months. Put yourself in the attitude of these companies, look at the machinery that they have imported from your country, the United Kingdom in particular. In 1932-33, they got machinery worth 91 lakhs and in October, 1933-34 (six months) 1,66 lakhs. In 1932-33, the total amount of machinery purchased was one crore and fifty-three lakhs and in 1933-34, up to the end of October, the total amount of machinery was 2,77 lakhs, paying ten per cent duty to the Honourable the Finance Member by way of customs tariff. Put yourself in their place. Do not think of the Delhi mills, do not think of the Cawnpore mills, but put yourself in the place of these men who, with the greatest difficulty, have been able to attract capital in Madras who have been just able to start these mills and the machinery is on the high seas and some of them are being constructed and put into erection, and you now come forward and say, here is an excise duty of Rs. 1-5-0 which you are bound to pay from the very day when a single spark ensues from the furnace of your factory. Ask yourself whether they are altogether ungracious and totally unjust when there is some whisper of breach of faith in some distant nook and corner of my Province.

Sardar Sant Singh (West Punjab: Sikh): Then how does the Honourable Member reconcile his views of sending this Bill to the Select Committee?

Diwan Bahadur A. Ramaswami Mudaliar: I have not yet fully explained my views, and, when my Honourable friend has heard those views, he will probably think that I am not after all so inconsistent as all that.

Now, let me come to some particular aspects of the case. My Honourable friend says, why not reject this Bill instead of sending it to the

Select Committee? That brings me to the point at issue. The present financial proposals of the Government of India are the most curious proposals that man has had the opportunity of studying during all these 2,500 years of his creation. (Loud Laughter.) I remember on a famous occasion, when I had time at my disposal, I attended one of the great performances of Bertram's Circus. The Ring Master was in the ring, the grand finale was on, the last scene was to be staged. The lion, the tiger, the bear, the wild cat and the lamb were all asked to sit at a common table and partake of the dinner. The tiger ate it, the lion looked at it, the bear merely licked its paws, the wild cat was purring and the lamb was shivering, and when the scene closed, there were thunderous roars of applause. But the Ring Master was not satisfied and so he came forward and said "That is not the grand finale that I had in mind. I expected the Bengal tiger to leap at the throat of the Punjab lion, I expected the Bombay bear to hug closely the wild cat of Assam, and I expected the lamb of Madras to be swallowed either by the lion or by the tiger, and I would have then cracked my whip and the thong would have resounded and I would then have shown my power. That would have been the grand finale." When I heard my Honourable friend, the Finance Member, making reference to the fact the other day that when a particular Budget demand, which gave one crore and forty-seven lakhs to Bengal, some lakhs to Bihar and Orissa, and about 12 lakhs to Assam, was moved, there was no discussion, when I heard my Honourable friend, the Finance Member, deploring the fact that there was no discussion on that particular demand, that he was disappointed that Honourable Members here did not attack each other and they did not come up to his expectations and discuss this grant, Mr. Deputy President, I thought of the Ring Master and of his resounding thong and I at least was glad that the Madras lamb shivered and kept quiet instead of trying to do anything that deserved the thong of the Ring Master. In these circumstances, in the Bills that we are going to discuss, we shall have the thong, and, in fact, my Honourable friend, the Finance Member, has given a light crack already. What did he say in introducing this measure? That the financial proposals stand all together and if one piece is disturbed, down topples the whole structure. Paraphrased, translated and put in other language, it means "Beware Bengal, beware of the 50 per cent jute duty, touch the excise duty on sugar and woe unto you, touch the excise duty on matches, Assam will be deprived of what she gets, touch any of these proposals, then Bihar and Orissa will quake more than ever it did under the earthquake." (Laughter.) That is the fact that makes it difficult for some Members to give a straight vote on this Bill. I know the House, I know the Parties and how they are arrayed, I know that every Group is divided and it cannot but be divided. These financial proposals, Mr. Deputy President, set a premium on revision in the Parties, they have set a premium on the want of cohesion and unanimity in the various Parties, and, therefore, if my Honourable friend, Sardar Sant Singh, wants to know my attitude, I say I cannot ignore these facts. So far as these new factories are concerned at any rate, this excise duty is certainly not an equitable duty, and I will try my level best to see in the Select Committee whatever I can get out of it for these new factories which have come into existence. I was telling the House how these new factories have come into existence, and I wish to know from my Honourable friend,

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the Finance Member, whether he does not consider it a fair proposition that factories, which have not had at least 12 months existence, should be exempted for the first year from the payment of this excise duty. I hope to press for that position in the Select Committee when the Bill comes before the Select Committee.

An Honourable Member: Only for this year or even later on when new factories come into existence.

Diwan Bahadur A. Ramaswami Mudaliar: Any factory that comes into existence must have one year's full working time before the excise duty is levied on its production, so that it may have a favourable chance and it might try to find itself on its own legs if possible. Another point, I should like to state which particularly concerns my Province. There are factories in Madras which make sugar out of what is called the *palmyra* juice. The *palmyra* is a wild growth in my Province and there are millions of trees, and nature has lavishly bestowed them on us. Today the juice is extracted by the poorest labourers who climb the trees day in and day out, tap the juice, boil it, and, after treating them, bring them to the factories, and a sort of crude white sugar is made out of it. Do I understand that this will also come under the provisions of this Bill? I think it is most unfair that these factories which make *palmyra* sugar should also come under this Bill. I think an assurance is needed from the Finance Member.

Mr. B. Das: That does not come under the Bill.

Diwan Bahadur A. Ramaswami Mudaliar: I want an assurance not from my Honourable friend, Mr. Das, I should like to have an assurance from the Finance Member.

I do not want to go into the details of this Bill. But there are only two considerations which I should like still to advert to. Many Honourable Members have already referred to the fact that, so far as the Indian States are concerned, the provisions that are made there are not sufficient to safeguard the interests of British India. We know that British Indian capital and British Indian industries are already handicapped by your extraordinary income-tax rates and super-tax rates and by all those other taxes which are collected in British India and many of which are non-existent in the Indian States. But I am not on that point. My Honourable friend says that the States will come to an agreement about this proposal and agree to levy an excise duty. Has my Honourable friend any means of ascertaining that the excise duty levied by these States is identical with the excise duty that is levied in British India and that these duties are going to be really collected? Is there any idea of an inspectorate which will examine this question? We all know the position with reference to customs tariff and we all know that the Government of India find themselves in a hopeless position to enforce the laws or agreements which they have come to with reference to the States.

Only one more point, and I have done. I remember in the course of my speech on the Budget suggesting that the proposals of the Honourable the Finance Member had queered the pitch of the Federation. The Honourable the Finance Member contradicted that statement. He said that he had done nothing of that sort, that he had not queered the pitch of the Federation. I want to establish to the satisfaction of this House that

it is a fact. These excise duties were intended to be collected after the Federation was launched and an excise duty on sugar was one of those that were specifically contemplated at the time of the discussion. What has my Honourable friend done now? He said that the excise duties will be levied in British India, they will also be levied in the States, but the benefit of that excise duty will go to the States. Now, does any Honourable Member think that once a State or a Province gets a vested interest in revenue, it will ever be possible for that State or Province to give up that vested interest and divest itself of that source of revenue which it once has got? What has the Finance Member done with reference to the match excise duties? Burma levied that excise duty with the permission of the Government of India a couple of years ago. They are collecting 18 lakhs of rupees, and my Honourable friend sees the justice of earmarking that 18 lakhs of revenue collected to Burma, so that she may not lose the revenue to which she has already laid a claim and which she is enjoying at the present moment. If, therefore, this excise duty is now collected by the Indian States, no Indian State will be a party to making it a Federal duty later on, if and when, and, if at all, a Federation comes into existence. I, therefore, venture to think that apart from all other defects which this Bill shows, the idea of an excise duty in the States collected on behalf of the States makes it distinctly improbable that Federal revenues will have those sources which at one time they thought of having.

Sir, I shall conclude only on this one note. I have no connection with any sugar industry. I have no interest of any kind in any sugar industry. I have no sympathy with the profiteers who are making enormous profits. I do have some little sympathy for those new concerns which are just starting under the shadow of the protection which this House guaranteed; and I want to see fair treatment given to those new companies. If, in the Select Committee, this Bill can be so amended that those new factories shall continue to exist without the threat of ruination, not merely by the levy of excise duty, but by internal competition of a grossly unfair kind, then, I think, even this Bill would in that transmuted form be less unacceptable to this House than it is now.

Raja Bahadur G. Krishnamachariar: Sir, my Honourable friend, the Diwan Bahadur, with that storm of eloquence and stately periods, of which he is a master, has completely smashed me. I do not know anything about what I am talking, nor upon the subject which he was talking. I plead guilty, and I hope I shall not be one of those persons who, having read the numerous literature that he has left open before us over which he has burnt his midnight oil, reading the thing through and through, got by heart certain paragraphs, I hope I shall not be in the position of a person who having done all that can still only say on the floor of this House, "I have not yet made up my mind; I am perplexed as to what to say." Sir, I hope I shall not be in that position, and if I am not, I shall be perfectly satisfied with my ignorance. And, ignorance of what? My Honourable friend said that in Madras sugar-cane growers have not been treated properly. I am glad to know,—because I was going to put him the question whether he had anything to do with any sugar producing factory in Madras,—that he has not. May I very respectfully and very humbly, though I do not command that flow of language with which you can cover any amount of abuses, may I very respectfully and in all humility ask him how many cases of sugar-cane growers he has met with, whether he is one of them and whether he

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in the majority of cases obtained a fair value from the factory owners? That, Sir, is the only ground upon which you can make a statement and not by those numerous experts and the mass of proceedings in the Committee, because I will tell you a little story about this.

There was a *guru* and he had about 10 or 12 disciples who were very recalcitrant. He found always that his behests and commands were disobeyed and so what he did was that one day he commanded his disciples to bring a piece of paper each and write all the duties that the disciple should discharge towards his master. Then he gave them time to get them by heart, which they did. Now, you know that Brahmins go very early in the morning to have a bath either in the tank or in the river. And so they were going one day. Unfortunately overnight there was a heavy downpour of rain and the *guru* and his disciples were going to the river while it was still dark. There was a pool of water somewhere and the *guru* tripped and fell down. He shouted to his disciples to pull him out, but they said, "No, wait a minute". They pulled out their instructions and they wanted to know whether they were bound to pull out their *guru* when he fell in a pit. It was not there. So they said: "We are very sorry, but you gave us these lessons, and this thing is not there. If you can come out yourself, so much the better. We are not bound to do it, and, therefore, we have not transgressed the *guru's* instructions." That, Sir, is the result of these gentlemen's reports. Each of them has got an axe to grind, and if they have not got any axe to grind, he belongs to that community to which my Honourable friend said I have the honour to belong,—they do not know what they are saying.

Sir, talking of experts, technological and otherwise, perhaps my Honourable friend is not aware that there is a report somewhere in the archives of that sugar technological expert that he has already given it as his opinion that there is over-production of sugar in India, and that, therefore, fresh factories should not be allowed to start. But he may settle that matter between the Finance Member and himself. But I believe, and I have reasons to believe, though I have not seen that report, that this is a confidential and a very strong report sent by one of these technological experts, I do not know who he is. Sir, as I said, I admit my ignorance, and, in spite of that, if I support the principle of this Bill, I do not know whether the Rs. 1-5-0 is like the laws of the Medes and Persians and could not be altered. So, whether the Finance Member, after recalculating all those figures that my Honourable friend, Lala Hari Raj Swarup, placed before him, would be able to diminish or increase, or whatever it is, that is a matter I do not understand. The Honourable the Finance Member says he wants money. He has done so; others say, if you take less money, you will still have that money. So you make up the account with the Select Committee, and I am not concerned with that. But what I am really concerned with is, so far as the principle of this Bill is concerned, I am quite at one and I was on the point that I was not doing it out of spite or envy or malice. I am myself going to be in this trouble. If the negotiations that I am on are ended, I hope at this time next year to start on my own hook a very big sugar factory in Hyderabad with my own sugarcane lands to the extent of six thousand acres.

Mr. N. M. Joshi: And add to the over-production.

Raja Bahadur G. Krishnamachariar: That is just it, and I tell you it is in connection with that proposal of mine I was told that there was this trouble that we are having over-production. The same report was sent to Mysore. The Mysore people snapped their fingers at this gentleman's report. They said, you do what you like, we are going to start our factory; and the rest of the negotiations are in progress.

I think I know a little bit of sugar-cane growing, and, so far as the States against whom there has been such declamation, I believe the Honourable the Finance Member will bear me out when I say that he has already received a report from one of the Indian States that they are quite willing to come up to their level on the question of match industry—I do not know whether the communication has yet reached the Finance Department, but a friend of mine in Hyderabad told me that within 24 hours they had agreed to the proposals of the Government of India and the reply had gone. I do not know anything about sugar: perhaps he was afraid to say something about it as I was myself interested in it. However, so far as the States are concerned, I believe the idea of the Honourable the Finance Member is that the production of sugar in the Indian States will not in any way handicap the production of sugar in British India and that they were trying to enter into an agreement with these States, so that the price may be the same all over; and, if they did not agree, steps would be taken when their sugar crosses the frontier to impose a duty upon that sugar in order to bring it to a price at the same level as in British India. That possibly is the idea and upon that I do not know that there was such a great necessity to declaim upon what the States would or would not do after having heard what Mr. Mody had to say about the Viramgam line and all that sort of thing. The reason why I say that I will support the principle of this Bill is not that I am very jealous or envious or malicious about the 400 per cent that these gentlemen were supposed to make as profits, because I do not know anything about it—the Honourable the Finance Member said it was 400 per cent or something about that, and there is a hue and cry raised in all the newspapers; and in all this propaganda to which my friend, Dr. Ziauddin Ahmad, referred, they say there is no such thing as 400 per cent, and there was an offer today on the floor of the House that the Government might take up the whole concern and pay them ten per cent. What a grand thing it would be if the Government, instead of going to the sugar factories, would come to us, the land owners, and take away all our land and give us the profit that they themselves, according to Lord Curzon's resolution, said that we were making, and we shall be perfectly happy. The Honourable the Finance Member and all the other Members of the Executive Government would get so much of land instead of their cash income, and then, in six months time, these gentlemen will realise what the trouble is and they will say "You are perfectly right; you take away your lands; we do not want them." That will be the position that these gentlemen will be reduced to; and what my friend, Dr. Ziauddin, said as a matter of challenge really does not amount to anything very serious: these gentlemen will say "Now we shall have the ten per cent out of the pocket of the Government". It is all absolutely beside the point.

We have also been told that the price of sugar has gone down by two 4 P.M. rupees per maund, which I work out at about $\frac{1}{4}$ of an anna per seer. But I know it for a fact, and I challenge anybody to make an inquiry, so far as Deccan and Madras is concerned, what we have been

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paying the same price, whether before protection or after, and I say that not one pice has been lowered in our price

Seth Haji Abdoola Haroon Because you have to pay railway freight on it to Madras.

Raja Bahadur G. Krishnamachariar: I know the reason, but I am talking of the fact. What I am concerned with is that these gentlemen in Upper India started factories which came into existence like mushrooms, made these huge profits, and now cannot get rid of their extra stock, and, consequently, they have got to find a market locally, and as the local market can only consume a certain proportion and as their stock will grow from bad to worse if they are kept, they have got to get any price, and, therefore, they come and tell this House that the value has gone down by two rupees. Who benefits by it?

Seth Haji Abdoola Haroon: The railways.

Raja Bahadur G. Krishnamachariar: Very well. The fact of the matter is, these gentlemen have got their profits in their pockets, and, for the rest of it, they are quite happy if they gave it to the railway; but what about me? It is my money that is paid: it is I from whom the money would have to be got if this Rs. 1-5-0 is not going to be levied from these gentlemen. Whatever may be the cause, I am stating the fact, and it cannot be challenged that the price of sugar, even if it had gone down by two rupees as claimed by these gentlemen, has not benefited us in any way. Why should I then sympathise with these gentlemen? Is it because they are deprived of the chance of making more money than they are actually doing? Come to me. See what I, an agriculturist, am making after doing the work all the year from morning till evening in my field, regardless of rain and heat, snow and sleet. Measure my profits; take twice that measure and be satisfied. Why do you want to have a cross cut to become rich as quickly as possible? Do not do that. We were told that this Bill is very wrong in principle, because it taxed production, that is to say, because the sugar was produced. I never studied political economy or public finance or any of those things, and if I make any mistake, I want the House to pardon me; but I believe that in agriculture, production and production alone is taxed. The Government, taking Lord Curzon's minute, said that they were entitled to 50 per cent of the net produce. If taxing production is inadvisable, then I agree at once, and I ask for relief regarding the agriculturist; then the Government would be hard put to it to find out money to carry on their administration. You can only tax when a man produces: you cannot tax a man who is lying idle on his sofa day in and day out: he does not produce anything, and, therefore, he does not pay any tax. You go to the fields and till the soil and produce grain, and, directly the grain is in your hands, the Government come and say "Give me my share of the produce." Consequently, it is a great fallacy to say that this Bill is a tax on production and that you cannot tax production. Production is the only thing that is taxed in these matters, and even that argument does not appeal to me. I, therefore, submit that barring whatever changes may be made regarding the interests of the Government, I am entirely in favour of the principle of this Bill which I heartily support.

There are only two matters on which I would like to submit to this House a few observations: the first is about this *khandsari* sugar. My friend, Mr. Maswood Ahmad, has said a great deal about it, and we in the Madras Presidency do not understand what this *khandsari* means, and no term is being used which would convey to us an idea exactly of the process

An Honourable Member: It is a cottage industry.

Raja Bahadur G. Krishnamachariar: That is why I am troubled about it. What we do in Southern India is this: my friend, Mr. Bajpai, has been telling me that we are overproducing rice; that our trouble does not lie in our not being able to produce or in our not being able to find a local market, but that we have got more than the local market can consume, and our price is not in demand elsewhere. The remedy is to change our crops as far as you possibly can. Now, long before the Government of India woke up to this position, the landholders and cultivators arrived, both in Tanjore and Trichinopoly which at one time carried the credit of being the granary of South India, we had to change our crop and we have taken to sugar-cane. Of course, we cannot afford to experiment very largely on sugar-cane upon the principle that we should not put too many eggs into the same basket. Therefore, what we do is this. According to our resources, we grow 10, 15, 20 or 50 acres, and, within a radius of, say, two or three miles from a centre, all the cane that is grown in the locality is brought to a spot where there is a sort of wheel which crushes the cane, and juice is taken out. The juice is then boiled and made into *gur*. I do not know at what stage this *khandsari* comes into existence, but if the idea of the Bill is that our process, which begins from the crushing and manufacturing into *gur* without any mechanical power, that our process which is undertaken only by man power or bullock power, should be touched, then I strongly oppose it

An Honourable Member: No, it does not.

Raja Bahadur G. Krishnamachariar: I hope it will be made clear, but I gathered from what my friend, Mr. Morgan, said that any of the raw products from which sugar or *gur* is made should be brought within the purview of this Bill

Mr. G. Morgan: May I interrupt my Honourable friend? I did not say that at all. I did not say that *gur*, *rab* and *palmyra* should be taxed. It was the people who bought these things as raw material and produced sugar who should be taxed. *Gur* does not come into it.

Raja Bahadur G. Krishnamachariar: We manufacture sugar ourselves. I myself manufacture *gur*. I cultivate about 50 acres of land every year in rotation and I first make *gur* and then convert it into brown sugar . . .

Dr. Ziauddin Ahmad: It is called *khand*.

Raja Bahadur G. Krishnamachariar: There is no motor power involved in the manufacture of such things. The poor villagers adopt the boiling process, and produce brown sugar from *gur*.

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Now, if this thing will not come within the purview of this Bill, I shall have no quarrel with it at all, because, it is a cottage industry, it is an industry which the agriculturist is perforce driven to undertake, because, so far as the southern districts of the Madras Presidency are concerned, the regular crop of paddy has no ready market in these days.

Then, the next point is about *palmyra jaggery*. I believe this *palmyra jaggery* is converted into sugar, but it is not done on a very large scale. I do not know if the House is aware of the fact that *palmyra jaggery* has from time immemorial been prepared, not for using it as sugar, but for using it in the Ayurvedic system of medicine. It is sometimes made into candy and sometimes into *gur*, and, in both cases, they are used mostly for medical purposes. I believe quite recently they have started a factory to manufacture sugar out of *palmyra jaggery*. The sugar made from the *palmyra jaggery* is more brownish in colour than the ordinary sugar that we make out of *gur*. I hope this Bill will not rope in the poor people who make sugar out of *palmyra jaggery*. I am also in a way interested in it. I have got about 5,000 *palmyra trees*, and the man who leases them makes the *gur* and is able to find a local market for it. That is one of our cottage industries, and I hope this Bill will not bring within its purview this small cottage industry. Except for these two things, I consider that the principle embodied in this Bill is very good, and I strongly support this reference to Select Committee.

There is only one observation I wish to make about the procedure that is followed in the House, and it is this. A large number of Members have been selected to serve on the Select Committee, and I have always observed that those who go to the Select Committee are the longest in their arguments, and, after a certain time, the President says: "Oh, 35 Members have spoken, and I am not going to allow any more discussion, as the matter has already been discussed sufficiently". I state, as a matter of fact, that we, who do not go into the Select Committee, I respectfully submit, as a matter of principle, should lay down what points shall be considered by the Select Committee, and if these gentlemen who have not even made up their minds as to what to do and what not to do, but take up most of our time, on the floor of the House, some of us poor fellows do not get sufficient time to develop our arguments or to say what we have got to say. I submit that this is a matter which requires the attention of the Honourable the President, so that, as a matter of convention, the thing may be settled, that is to say, those who go to the Select Committee should not speak at least at the early stage of the Bill. That is all that I have got to say now.

Mr. Muhammad Yamin Khan: Sir, I strongly support the observation just made by my Honourable friend, the Raja Bahadur, that Members who go to the Select Committee should not make long speeches on the floor of the House

An Honourable Member: Why not?

Mr. Muhammad Yamin Khan: If they have anything to say, they can do so in the Select Committee. For whose benefit are they expressing their views here? It is for their own benefit. When a motion is made for reference to Select Committee, it is intended that the Members who

go to the Select Committee should derive some benefit from the views of those Honourable Members who will not go to the Select Committee, but if they also make a speech here, I do not know for whose benefit they will be expressing their views, because in the Select Committees the Members who are selected will have greater opportunities to express their views. So I think a convention should be established in this House by which those Honourable Members who will go to the Select Committee should not speak in the first stage when a motion is made for reference to Select Committee, except to the extent of saying whether they agree to the motion being referred to Select Committee or not. Beyond this they should not

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): May I suggest to the Honourable Member from Meerut whether it is not to the point for members of the Select Committee to speak out their views, so that this House may see that they are fit enough to work in the Select Committee

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Order, order. Instead of giving directions to the Chair, it will be better for the Honourable Member to proceed with his speech.

Mr. C. S. Ranga Iyer: I was making a suggestion. Probably the Chair did not follow the Honourable Member from Meerut. As I interrupted him and he gave way, I asked him whether it was not fit and proper for members of the Select Committee to place before the House their qualifications by speechification to sit in the Select Committee

Mr. Muhammad Yamin Khan: My friend's observations are always of good humour. He wants to test the ability of the Members who go to a Select Committee. I have no quarrel with him if that is his object.

Well, Sir, I shall not take the time of the House in referring to statistics, which were prepared in 1929, as was done by my friend, Mr. Mudaliar, nor do I want to go into the prices of different articles as was done by Dr. Ziauddin Ahmad. Here I am a practical man, and I represent only two sides, one as a consumer and the other as a representative of the cane-grower. So far as I am concerned, I don't want to be too hard on the producer either. I don't agree with what Dr. Ziauddin Ahmad or Mr. Mudaliar said that the protective duty was levied by the Government simply for the sake of revenue. I think a great demand was made for this, as far as I remember, by my friend, Mr. Abdoola Haroon, because he was mostly interested in the sugar industry, and he made out a case that there should be a protective duty

Seth Haji Abdoola Haroon: I think my friend, Mr. Yamin Khan, is making a mistake. I spoke when the Sugar (Protection) Bill came up in 1932, but the sugar duty was levied as a protection duty before 1932. Till September, 1931, all these duties of Rs. 9-1-0 were levied by the Finance Member, while the Sugar (Protection) Bill came out only in 1932.

Mr. Muhammad Yamin Khan: I am referring to the Protection Bill. I say that when this duty came in, it was welcomed by my Honourable friend, and he said in support of this that it would help the sugar industry of India. I say that it was not merely for the purpose of getting more

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revenue, but the idea at that time was that this duty would help the growth of sugar industry in this country and would help the people in competing with foreign sugar and would give an impetus to those engaged in the growing of sugar-cane. It is the duty of the Government to see that the prices of cane are fixed and that people who control the poor growers of cane do not exploit them. For this purpose, I remember the United Provinces Government issued—it cannot be called an order, but it was a kind of suggestion—that seven annas per maund was a reasonable rate to pay to the cane grower. My Honourable friend said that nine annas have been paid in the Meerut Division. What a wonderful statement he has made!

Lala Hari Raj Swarup: Do you deny this statement?

Mr. Muhammad Yamin Khan: Absolutely.

Lala Hari Raj Swarup: You are incorrect.

Mr. Muhammad Yamin Khan: Can he tell me in what month, for how many days, and in what factory? Was it Mansurpur?

Lala Hari Raj Swarup: Yes. It was Mansurpur and Daraula.

Mr. Muhammad Yamin Khan: I can prove that at Mansurpur, in spite of the Government's order, only four annas and six pies were paid. I have received lots of complaints from people living there.

Lala Hari Raj Swarup: I challenge my Honourable friend. It was never paid in Mansurpur.

Mr. Muhammad Yamin Khan: I can prove by evidence of thousands of cultivators that only four annas and six pies were paid. Can my Honourable friend deny this that all the factory owners in the Meerut district, which have sprung up to something like eight or nine in one year's time, have combined together and passed a resolution that nobody should pay more than six annas for the cane? The man takes the cane from five or six miles in a bullock cart, and when he reaches the factory, they say, it is worthless and they are not going to purchase it. The man cannot take it back to his village, and, moreover, the area has been divided between the different factories, so that there should be no competition between one factory and another, and the factory owners have agreed among themselves that they will purchase only from the areas allotted to them and from nowhere else, so that the poor man cannot take his cane to any other factory, because nobody else will purchase it. It is an open secret that the Daraula factory, which was put up only two or three years ago, has paid back its capital. If there is protection, is it in the interests of the people who invest their capital or in the interests of the cane grower and the consumer?

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

If these people had been generous to the cane grower, and, at the same time, making profits for themselves, nobody would have any grievance, I would not grumble at it. I say that the industries of India must be

helped, but it does not mean paying 50 per cent profit at the cost of the consumer and at the cost of the cane grower. That is asking too much from the country; that is taking too much advantage of the patriotism of the people. I went to England last year and returned within six months, and, within that period, I found that at distances of five or six miles sugar factories had been put up—I saw four factories rising during this short time on the Ghaziabad-Meerut Road.

Sir Cowasji Jehangir: Are they working now?

Mr. Muhammad Yamin Khan: Yes, they are all working. Some factories have worked for five or three or two months, and if they have not got back the whole of their capital, they must have got back at least 30 per cent, because they are not paying proper price for the cane. My Honourable friend, Mr. Mudaliar, says that we must give one year's advantage to the factory owner to build up the factory. What does he mean by one year? Does he mean from April to the end of August also to be included? Factory owners who have started in October have already made tremendous amounts of money by the 31st March. They have got nothing to do on the 1st April except, probably, crushing a little bit of cane which is remaining there. No cultivator can afford to keep cane in his field after the 31st March, because he must have the field clean for the next year's crop. The time for crushing cane is from about the 15th of October or the 1st of November to the 31st of March. They have this year already made it. I have no grievance if a reasonable price for cane is given. The factory owners must be allowed 15 per cent as margin for profit, and if the industry cannot go on, if nobody is willing to invest his money with a return of 15 per cent profit, then I think it is useless to try to have any factories in India. 15 per cent is quite sufficient,—if they can have 15 per cent dividend or net profit on their capital.

Sir Cowasji Jehangir: 15 per cent dividend?

Mr. Muhammad Yamin Khan: If the Honourable Member only knew, he would jump up and invest all his money tomorrow in the United Provinces. They are getting 50 per cent. If the Honourable Member knew that, he would have invested all his crores in the United Provinces.

Seth Haji Abdoola Haroon: Can the Honourable Member give any instance of a factory which gave 50 per cent dividend this year?

Mr. Muhammad Yamin Khan: If not this year, last year. The Daraula factory has paid back the whole of the capital in two years. With nine lakhs of capital, they made six lakhs in one year.

Seth Haji Abdoola Haroon: If it made six lakhs, can the Honourable Member say how much it paid as income-tax?

Mr. Muhammad Yamin Khan: That is why they have this device of purchasing through the contractors. Some body asked, why they purchased through the contractors. This is how they hoodwink the Income-tax Officers,—because the profit is scattered among so many different people. One book is kept separate for real accounts, and another is kept for inspection by the Income-tax Officer

Seth Haji Abdoola Haroon: When the Honourable Member says 50 per cent, does he realise that they have got to pay charges for manufacture, for fuel, for labour, etc. Or did he mean 50 per cent net profit?

Mr. Muhammad Yamin Khan: I am just coming to that. It is 50 per cent net profit, because I know for a fact that, excluding cost of the machinery, the cost of production,—the price of sugar came only to five rupees and a few annas and they sold sugar at Rs. 11 a maund. This was the selling price. It comes to cent per cent profit. If you take the incidental charges, the depreciation value of the machinery, and so on, into account, it comes to 50 per cent profit.

Sir Cowasji Jehangir: What is the gross profit?

Mr. Muhammad Yamin Khan: The cost of making sugar came to five rupees and a few annas only, but they sold the same thing for Rs. 11.

Mr. A. Das: Last year the prices were never Rs. 11.

Mr. Muhammad Yamin Khan: But they have been selling at this price for the last three years. Some factories have paid their capital. They have got no grievance. If my friend wants to contest my statement, let him produce the accounts before Dr. Ziauddin Ahmad, though they may hoodwink him more easily than they can hoodwink the Income-tax Officer. I am ready to say this that they get 50 per cent profit. They have got no reason to complain. They should not get the whole of it. A portion of that must go to the consumer or to the cane grower, and, if this cannot be done, let it go to the public funds. I do not want to crush this industry. I would rather use the sugar made in India than the sugar imported from Java. I would like to encourage it myself. When you complain about the poor man's salt, why not about the poor man's sugar? The poor man uses more sugar than salt.

Bhai Parma Nand: May I ask if you advocate nationalisation of industry as well as nationalisation of land?

Mr. N. M. Joshi: I do.

Mr. Muhammad Yamin Khan: I am prepared to sell my land to Government at half the price that it would have fetched in 1926. I am ready to sell the whole land today and let the Government distribute it to anybody.

Sir Cowasji Jehangir: If there are more Joshis about, you will have to give it away for nothing.

Mr. Muhammad Yamin Khan: I wish more Joshis could come and take away my land, and then I shall take away the money of other people. If somebody robs me, I shall not sit quiet. I shall go and loot the houses of others.

The Honourable Sir Brojendra Mitter (Leader of the House): Then the whole thing will be going to Mr. Joshi?

Mr. Muhammad Yamin Khan: I am not one of those who will sit quiet. I do not want to disclose the secrets that have been told to me in confidence by people who approached me with the request that I should become a director of certain companies, but I may tell this that even the factories which have been put up this year are making as much as 35 per cent net profit now.

An Honourable Member: Quite wrong.

Mr. Muhammad Yamin Khan: By going through the figures which I have got, I can tell you that that is a fact.

Seth Haji Abdoola Haroon: If he knows very well that they are making 35 per cent profit, I can arrange for his getting some contracts. He can allow 15 or 20 per cent and take the rest and make a little money.

Mr. Muhammad Yamin Khan: I am not in that line, and I do not know anything about the factories my friend is talking of.

When my friend, Mr. Mudaliar, was speaking, he said that his Province was not such that it was not paying properly to the cane grower. I asked him the question as to what Madras was paying. I got no answer. He said that the Madras cane grower had no complaint. But he had no figures to give me. He could not tell me whether the cane grower there was getting near about five annas six pies or not. He did not answer. Mr. Mudaliar does not know anything about it. He comes up and advocates his cause with great ability and eloquence and force, but he knows nothing about what he is talking. He simply gets up and says that his Province has got no complaint. He quoted what Bihar was paying

Rao Bahadur B. L. Patil (Bombay Southern Division: Non-Muhammadan Rural): The cost of production, according to the Tariff Board, was estimated at Rs. 1-12-0 per maund. So it must be a little more than that. This is to be found in the book written by Mr. Gandhi.

Mr. Muhammad Yamin Khan: In what year was this?

An Honourable Member: It has been written just now.

Mr. Muhammad Yamin Khan: I cannot accept what my friend has said. I am glad to note that he fills the gap which was left by Mr. Mudaliar.

Raja Bahadur G. Krishnamachariar: It is only the cost of production that he is quoting.

Rao Bahadur B. L. Patil: It must, therefore, be something more than that.

Raja Bahadur G. Krishnamachariar: "Must" is another matter.

Mr. Muhammad Yamin Khan: The question is what exactly they are getting. Is my Honourable friend talking about the Bombay Presidency?

Rao Bahadur B. L. Patil: It is Madras.

Mr. Muhammad Yamin Khan: My Honourable friend's answer does not satisfy me as to what they are paying to the cultivator. I want Mr. Mudaliar to tell me that.

Maulvi Sayyid Murtuza Sahib Bahadur (South Madras: Muhammadan): We pay more than any other Province?

Mr. Muhammad Yamin Khan: I do not know what is meant by "more". It has been said that Bihar and Orissa pays five annas six pies on an average. This word "average" is a very good word. Mr. Hari Raj Swarup said they paid up to nine annas. They might have paid this to a single individual, and that cannot be quoted as an instance. Five annas six pies average means that some people must have been paid six annas, some five and some people less than five annas also, and five annas for a maund of sugar-cane is not a reasonable price.

Seth Haji Abdoola Haroon: May I ask one question of the Honourable Member? He belongs to Meerut. Can he tell me, if the people there are making *gur* from the sugar-cane, at what price they are getting the cane, when they are making the *gur*?

Mr. Muhammad Yamin Khan: My Honourable friend knows that very well. He has been in the sugar business for a long time, and he knows as much as I know (*An Honourable Member:* "More.") that *gur* is not produced by the people who purchase the cane crop. *Gur* is always produced by the man who grows the cane himself. The man, who has got land, say, up to 100 bighas only, runs one *kauloo*—a crushing machine that is worked by the same bullocks that the man has and which are meant for his other cultivation purposes, and he gets juice out of that which does not come out thoroughly, and this man makes *gur* himself. Now, he is at the mercy of the people who sell in the market. The cane is never purchased by him. Therefore, I cannot give my Honourable friend a reply.

Seth Haji Abdoola Haroon: I know they are making *gur*. I know very well that these cultivators are manufacturing *gur* themselves. But if they are crushing their own cane and making *gur*, you know the price of *gur* in the Meerut market, and you know also how many maunds of cane are crushed in order to get one maund of *gur*. And from that, it can be imagined what price

Mr. President (The Honourable Sir Shannmukham Chetty): Order, order.

Mr. Muhammad Yamin Khan: It is for the Honourable Member to calculate it. The poor man must sell his *gur* at any price that he can get. Only those people make *gur* who have got no other means of selling their produce, and if they make *gur*, they must sell it at once; otherwise, if it is produced at a time when the harvest is over and the revenue collector is there, he cannot leave him ten days and he is at the mercy of whatever prices rule in the market. *Gur*, which is often sold at two rupees or three rupees a maund, has, after two months, been sold for eight rupees a maund. People who have purchased *gur* at two rupees or three rupees a maund have made a tremendous amount of profits—cent per cent often. But, sometimes, if there is a shower, then the entire quantity becomes useless. The question of *gur* is very delicate: and if the *bania* in the market by purchasing and storing his *gur* sometimes makes cent per cent profit, he stands to lose sixty per cent or so by one shower of rain at Christmas time. Probably the man is bringing his *gur* from his village to the marketing place and the whole gets melted on the way. There are three parties—the consumer, the producer and the grower of cane, and who is getting the best advantage?

An Honourable Member: The contractor.

Mr. Muhammad Yamin Khan: Is the consumer getting it? No. We had expected that the sugar factories, instead of getting fifty per cent or thirty per cent, would be content with twenty per cent, and that they must reduce the prices. I find that my friend, Raja Bahadur Krishnamachariar, said that he was not getting even one pice less. I think I am paying just about the same price. I do not purchase from the manufacturer, I purchase it from the retail dealer, and the middleman always gets it. The middleman does not leave much difference. That has always been the basis of my support with regard to the salt tax, because I know that it is the middleman, and not the consumer, who gets the advantage. If all this is threshed out in the Select Committee, so that all reasonable profit is left to the factory owners, I will not grudge it; but if they want to exploit the cane grower and the consumer, then, I, as a representative of both, must protest against it.

Then, I want that the industry must prosper for two reasons, because I want the people of India to have more employment, and I want that India's money does not lie idle, but is properly utilised, so that a lot of people may be employed. The second reason is that if more factories come into being, then more sugar-cane will be purchased, and if more sugar-cane is purchased at reasonable prices, then the price of the land will not fall down as it has fallen down recently,—and I want to keep up the price level of the land. As a representative of the zamindar, it is my interest also to see that the price of land does not go down and the people do not financially suffer. They have got their capital fixed up in their factories and they would not like it to be reduced to fifty per cent. Similarly, I do not like my capital to be reduced to fifty per cent. On the contrary, I would much rather like to see the price of land restored to the previous level, and that can only be attained if the prices rise. This cannot happen if the factories that have been growing take to a great deal of exploitation of the cane growers. All these matters will be dealt with in the Select Committee, and, therefore, I support the motion for reference of the Bill to a Select Committee. But I must not be misunderstood: I am in no way against the factory owners, I want to leave them a fair margin.

Seth Haji Abdoola Haroon: Sir, before I now rise to speak on the subject, I have heard my Honourable friends, Dr. Ziauddin Ahmad, Raja Bahadur Krishnamachariar and Mr. Muhammad Yamin Khan. All these three Honourable gentlemen are supporting the motion for reference of the Bill to a Select Committee. Of course they have their own opinions and they have their rights to say whatever they like, but I find that they are not against the industry itself, nor do they want that sugar should not be manufactured in India, but they have some idea that the sugar manufactures are making huge profits; and, besides that, they have complained that they are not getting proper cane prices for the cane grower. All these things they have understood chiefly from the Treasury Benches and especially from the speech of the Honourable the Finance Member.

Dr. Ziauddin Ahmad: I was never here at the time.

Seth Haji Abdoola Haroon: Well, you must have read that speech; and I know that the Honourable the Finance Member has been creating in this House some such impression and he brought forward some view.

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backed by facts and figures before the House that, according to his information, at any rate from my friend, Mr. Mody,—and he said in his speech also a few words, and I am quoting here from a newspaper cutting. This is what the Honourable the Finance Member said :

“The point I want to make is that the public of India have made a tremendous sacrifice to see this policy of making India self-supporting. It does not lie in the mouth of the manufacturers to come and say that it is unjust and unfair if you reduce our 400 per cent profit to 300 per cent profit.”

These are the words of the Honourable the Finance Member. If a responsible Honourable Member uses these words in the House, I think I can say that there are many Honourable Members who do not know much about this industry, nor the trade itself.

The Honourable Sir George Schuster: I have already explained to the House, and the context in which I used that sentence makes it perfectly clear that I was referring to the capital appreciation of the shares. I was dealing with the argument that we have been approached as people who were doing injustice to people who bought shares at very high prices.

Seth Haji Abdoola Haroon: Thank you very much for saying this much about the shares. But my friend, Mr. Yamin Khan, understood it the other way.

Mr. Muhammad Yamin Khan: I did not say that the price of the shares has gone down by 50 per cent.

Seth Haji Abdoola Haroon: You said that the manufacturers made a profit of 50 per cent.

Mr. Muhammad Yamin Khan: Yes, I did say that.

Seth Haji Abdoola Haroon: Sir, I am very glad that by and by everything is being cleared up, and, when we go in the Select Committee, many things will be cleared up to the Honourable the Finance Member and other Members. My friend, Dr. Ziauddin Ahmad, Mr. Yamin Khan and the Raja Bahadur, said that they were paying the same prices. From this you can find, Sir, how ignorant they are of the market and the price of the sugar. Of Course, they are Honourable Members, and the suppliers know that they are Honourable Members. If they knew something about the trade, things would have been different. I know that my friend, Dr. Ziauddin Ahmad, is an economist and a mathematician, and my friend, Mr. Yamin Khan, is a zamindar and a Barrister. But I will beg their pardon when I say that they do not know much about the market. They do not care about these small things, and, therefore, they are being charged at a high price.

Dr. Ziauddin Ahmad: May I say that when I found that I could not get sugar here at more than 3½ seers for a rupee, I had to send for it from the factory at Gorakhpur in which I am interested.

Seth Haji Abdoola Haroon: I think the Honourable the Finance Member did not deny that the sugar market has gone down within the last two years by three rupees a maund. When Government gave the protection, the market went down by three rupees a maund. The market went down in Cawnpore and in Calcutta, and my friends say that they are still paying the same price.

Mr. Muhammad Yamin Khan: May I ask the Honourable Member whether the market has gone down, because the factory owners reduced the price or they were forced to sell at the reduced price?

Seth Haji Abdoola Haroon: I may inform my Honourable friend that we, the businessmen, are always guided by supply and demand. When we find that the supply of sugar in Meerut is more than its requirements, we try to send it to the Amritsar bazaar and sell it there. And when we find that the same is the case with Amritsar, we send it to Karachi, and so on. But we were charging you before the import price in Karachi and today we are charging you the price which we have to pay Karachi *plus* the freight from Karachi to Meerut which comes to about Rs. 1-8-0. Therefore, we have to reduce our prices. We cannot charge you the same price as we are charging at Karachi, because we have no organisation of sugar selling agencies.

Mr. Muhammad Yamin Khan: My Honourable friend has probably misunderstood me. They are making the profit in Meerut and the United Provinces to the extent that they are losing in Karachi.

Seth Haji Abdoola Haroon: No, Sir. Again, you have misunderstood me. We have to sell our sugar, because the production is so large that the United Provinces or the Punjab are unable to consume it. We have to send it to the ports of Karachi, Bombay and Madras. I have sent the manufactured sugar to the Madras City, and still my friend, the Raja Bahadur, says that he is not getting it cheap. But how can he get it cheap? I have to pay freight from my factory to Madras which comes to Rs. 1-8-0 and I have to sell it in Madras at a price which is about two annas less than that of Java imported price. This is our difficulty.

Sir Cowasji Jehangir: Notwithstanding all that, what profits are you making?

Seth Haji Abdoola Haroon: I am coming to that. I am ready to produce my accounts before any authority.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadian Rural): Which account you mean, whether the real one or the one which is prepared for the return of income-tax?

Seth Haji Abdoola Haroon: I have started the sugar factory only this year. Sir, everybody is entitled to his own opinion, and I have my opinion. Although the Honourable the Finance Member said much about the consumers giving this large protection to the sugar industry, my friend, Diwan Bahadur Ramaswami Mudaliar, has already said on the floor of the House that this duty was not levied for the protection of the sugar, but that it was levied before the Protection Bill was itself passed. Of course, we have got a sort of guarantee now that for the next seven or 15 years this duty will remain. But, as a businessman, I have always been of the opinion that the present financial position of the Government is such that they will not be able to reduce any duty. They are increasing the duty day by day, and they will continue to do so unless and until they try to reduce their own expenditure.

Sir, the other day, my Honourable friend, Dr. Ziauddin Ahmad, brought some figures before the House. He said that till then the Government had increased the taxes by 46 crores, but the position was the same as it was

[Seth Haji Abdoola Haroon.]

in 1930, and, after increasing the taxes by another 33 crores in 1934, we find the position is the same. So is the case with income-tax. After increasing the rate by 13 or 14 crores, we find the revenue from income-tax has gone down by $1\frac{1}{2}$ crores. I know that all the duties that are levied are not going to be reduced. It is not true with regard to sugar only, but also with regard to other articles. Upon all the articles the Government have been levying a customs duty. Can you point out any article on which Government have reduced the duty or reduced the surcharge? Instead of reducing the surcharge, the Government are enhancing the excise duty. What is the meaning of all this? The meaning is that Government want money. I understood it properly. But, then, why are the Government saying at the same time that they gave us so much protection, and the public and the tax-payer cannot afford it? Why should they say that the public are grumbling at the protection?

An Honourable Member: The protection is there, it has not been reduced.

Seth Haji Abdoola Haroon: Yes, the protection is already there. Can you show me one article where protection is not there? Besides

5 P.M. that, if you look to the present position of the sugar industry when it started, when it commenced, and how long that industry has been established, you will find that, on account of the high revenue duty, people have started sugar mills. I have got here the figures which the sugar technologist has collected. You will see that in 1930-31, there was no Sugar (Protection) Bill and there were then 21 mills and they went up to 29 on account of the high revenue duty. In 1930-31, the mills went up from 29 to 32, and in 1932-33, the number went up still further to 57. Your Bill was passed in March, whereas the factories have already been erected by many people and they commenced work already without the Sugar (Protection) Bill. When protection came in, many people started sugar factories, with the result that their number went up to 134. Six new factories will be erected within the next year, so that the total will be 140. If you look at the figures, you will find how these people, who have erected 134 factories, have helped the various Government Departments. These factories have given employment to a vast number of labourers, the railways, the Posts and Telegraphs, and several other Departments have benefited enormously. (Hear, hear.) The other day, my Honourable friend, Sir Joseph Bhore, brought forward a Budget with $2\frac{1}{2}$ crores more income than last year. I submit that, out of this extra sum of $2\frac{1}{2}$ crores, at least $1\frac{1}{2}$ crores would have been paid by the sugar factories in the shape of railway freight for the machineries they brought from outside India. Sir, a sugar factory with a crushing capacity of 400 tons has to erect a machinery worth $6\frac{1}{2}$ or $7\frac{1}{2}$ lakhs, and another seven lakhs we have to spend on the erection of buildings, materials, railway freight, and so on. I can give you my own instance. When I brought my sugar machinery imported to Calcutta and brought the same to my place, I had to pay a railway freight of Rs. 73,000. Whereas, my place is only 350 miles from Calcutta, there are many other sugar factories which are more than 700 or 800 miles from the ports.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member can resume his speech tomorrow morning.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 3rd April, 1934.

LEGISLATIVE ASSEMBLY.

Tuesday, 3rd April, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

REFRESHER COURSE AT KOT LAKHPAT, NORTH WESTERN RAILWAY.

576. ***Rao Bahadur M. C. Rajah:** (a) Will Government be pleased to state if it is a fact that the Refresher Course at Kot Lakhpat is meant to refresh the memory of the North Western Railway employees in regard to the theoretical and practical education relating to the respective Departments of each employee and does not result in the forfeiture of one's services?

(b) Is it compulsory for each commercial employee to attend the Refresher Course every fifth year? If so, how does the result of each course affect those employees in regard to their official status?

(c) Will Government be pleased to state whether the candidates who fail in one attempt are given another chance?

Mr. P. R. Rau: I have called for information, and will lay a reply on the table of the House in due course.

EMPLOYMENT OF TEMPORARY STAFF AGAINST PERMANENT VACANCIES ON THE NORTH WESTERN RAILWAY.

577. ***Rao Bahadur M. C. Rajah:** (a) Is it a fact that the North Western Railway engaged a number of temporary staff against permanent vacancies in 1927? If so, for what period? Was their confirmation based on passing a departmental suitability examination?

(b) Is it a fact that the temporary staff executed an agreement bond? If so, were the conditions laid down in paragraphs 5 and 6 of the bond given effect to? If so, when and with what result?

(c) Is it a fact that the Divisional Superintendent, North Western Railway, Delhi, called for, *vide* his circular letter No. 729-E./24/243, dated the 15th November, 1927, personal opinions from the Station Masters regarding the fitness of the temporary staff, working under them for the posts to which they were appointed, in order to decide the question of their retention in service? If so, what action was taken on those opinions?

Mr. P. R. Rau: With your permission, Sir, I shall reply to questions Nos. 577 to 579 together.

All these matters are within the powers of the Agent, and Government have no information. The events referred to occurred several years ago, and Government do not consider that the labour of collecting the information required will be justified by the result.

EMPLOYMENT OF TEMPORARY STAFF AGAINST PERMANENT VACANCIES ON THE NORTH WESTERN RAILWAY.

†578. ***Rao Bahadur M. C. Rajah:** (a) Is it a fact that the temporary staff who were employed against permanent vacancies on the North Western Railway in 1927, and who worked satisfactorily for nearly more than three years, have a lien on permanent posts, *vide* the Agent, North Western Railway's circular No. 1 of 1927, Part A, page 6, paragraph 4, and page No. 4, correction slip No. 20, dated the 11th July, 1930?

(b) Is it a fact that the Divisional Personnel Officer, Delhi, called, *vide* his letter No. 921-E./110 of February, 1929, the whole temporary staff to his office to undergo a suitability examination for confirmation, and the unsuccessful candidates were discharged while the successful candidates were retained. *vide* paragraph 5 of the service bond? If so, why were not the successful candidates confirmed?

(c) Is it a fact that the vacancies, against which the temporary staff were working, existed up to and after the time of their discharge? If so, will Government be pleased to state why the aforesaid staff, after completion of 12 months' service, were not confirmed, as per Agent's circular No. 1 of 1927?

(d) Is it a fact that the discharged employees appealed against the orders of the Divisional Superintendent, North Western Railway, Delhi, to the higher authorities, one after the other, and that the latter simply forwarded their appeals to the Divisional Superintendent, Delhi, who discharged them originally? If so, will Government be pleased to state what action was taken with a view to justice being done to their employees?

REFRESHER COURSE AT KOT LAKHPAT, NORTH WESTERN RAILWAY.

†579. ***Rao Bahadur M. C. Rajah:** (a) Is it a fact that the Kot Lakhat Refresher course was an additional test for the temporary staff employed against permanent vacancies on the North Western Railway in 1927 and was not mentioned at all in the Service Agreement bond? If so, why was it fixed as a final examination for the temporary staff without giving any previous notice to this effect?

(b) Will Government be pleased to state whether the temporary staff discharged for not passing the Refresher Course will be recalled? If not, why not?

(c) Is it a fact that Mr. Nisar Ahmad Khan, a temporary parcel clerk at Saharanpur, was allowed to re-appear a second time at the Refresher Course test, while the others were not?

(d) Is it a fact that Mr. Bankey Lal, temporary Goods Clerk at Delhi, failed in the Refresher Course, both in practical and theoretical subjects, *vide* North Western Railway Weekly Gazette No. 30 of July 1930? Is

†For answer to this question, see answer to question No. 577.

it also a fact that he was retained in service without further examination? If so, why were not the others, who failed in one subject only, retained?

(e) Will Government be pleased to state the cause for this differential treatment in the case of the two above-named persons?

(f) Will Government be pleased to state if there are any rules under which a railway employee having failed in the Refresher Course, can be discharged or dismissed?

EXEMPTION OF PERMANENT GOVERNMENT SERVANTS FROM APPEARING BEFORE A MEDICAL BOARD FOR THE INDIAN AUDIT AND ACCOUNTS SERVICE EXAMINATION.

580. ***Bhai Parma Nand:** (a) Will Government be pleased to state whether it is a fact:

- (i) that permanent Government servants below the age of 30, who intend to sit for the Indian Audit and Accounts Service Examination, are required to appear before a Medical Board in the same way as outside candidates;
- (ii) that a permanent Government servant, transferred from one Department to another, is not required to furnish a medical certificate;
- (iii) that if a permanent Government servant successfully competes in the above examination, his case is merely one of transfer from the subordinate to the gazetted rank; and
- (iv) that the rules pertaining to the above examination are in course of revision?

(b) If so, do Government propose to exempt permanent Government servants from appearance before a medical board, or insist only on a certificate from a medical officer not below the rank of a Civil Surgeon?

(c) If a Government servant of the above category is declared unfit by a medical board constituted for the purpose of the Indian Audit and Accounts Service Examination, does it prejudice his retention as a subordinate in case he was employed under a First Class Health Certificate?

The Honourable Sir George Schuster: (a) (i). Yes.

(ii) Information regarding the practice of all Government Departments is not readily available, but so far as I am aware a medical certificate is not normally required in the case of such transfers.

(iii) No. Apart from the question of gazetted rank, a Government servant who is successful in the examination becomes eligible for much higher scales of pay, and the liability of Government in the event of his being subsequently discharged on medical grounds is thereby increased. He also becomes liable to transfer to any part of India, and this makes it the more necessary to ascertain whether his health is likely to be able to stand the strain of different climates.

(iv) Yes.

(b) No.

(c) Not necessarily. Any such case would be considered on its merits.

**PASS MARKS IN OPTIONAL SUBJECTS OF THE APPENDIX 'D' EXAMINATION
OF THE RAILWAY ACCOUNTS DEPARTMENT.**

581. *Bhai Parma Nand: (a) Will Government be pleased to state whether it is a fact:

- (i) that a candidate intending to pass in the optional subjects of the Appendix 'D' Examination of the Railway Accounts Department must secure 66 per cent. marks;
- (ii) that in the corresponding Civil, Military, and Railway Audit 'Subordinate Accounts Service Examinations' only 40 per cent. marks are required for a pass; and
- (iii) that the scales of pay in the Railway Accounts offices are far lower than those obtaining in the Civil, Military and Railway Audit Offices?

(b) If so, are Government prepared to bring down the pass marks to 50 per cent in the optional papers?

(c) Is it a fact that during the last three years, questions regarding 'Establishment matters' were almost absent in the general paper of the Appendix 'D' Examination?

(d) Is it a fact that no instructions are issued to examiners of different papers to maintain a uniformity of standard in allotting marks?

Mr. P. R. Rau: (a) and (b). The attention of the Honourable Member is invited to the reply given by my predecessor to a similar question No. 530 asked by Sir Muhammad Yakub on the 12th March, 1930.

(c) No.

(d) The examiners are experienced officers carefully selected personally by the Controller of Railway Accounts and it is not considered there is any necessity for any special instructions.

**CLASSIFICATION OF POSTS IN THE EAST INDIAN RAILWAY ACCOUNTS
DEPARTMENT.**

582. *Bhai Parma Nand: (a) With reference to their reply to unstarred question No. 316 put in the last winter Session of the Assembly, will Government be pleased to state whether it is a fact:

- (i) that the posts in the East Indian Railway Accounts Department are being classified as class I charges merely on account of the fact that they are being held by class I clerks; and
- (ii) that many class II and class III clerks are holding charges which are far more onerous and carry greater responsibility than those of class I charges?

(b) Will Government be pleased to state whether the mere fact that a particular charge is being held by a class II or class III clerk deteriorates the value of the post from a class I to a class II or class III charge?

(c) Is it a fact that the existence of this practice is known to Mr E. R. Seshu Iyer, the present Deputy Chief Accounts Officer, East Indian Railway? If so, at whose suggestion is this practice sought to be perpetuated?

(d) Is it a fact that such classifications contravene the provisions of Rule 80 of the Fundamental Rules? If so, when is a re-classification going to be made, based on a correct assessment of the degree of responsibility and volume of work attached to a post?

Mr. P. R. Rau: I understand that some difficulties have arisen in classifying the various charges in accounts offices on the East Indian Railway. I am asking the Controller of Railway Accounts to examine the 'whole' position.

HARDINGE BRIDGE ON THE EASTERN BENGAL RAILWAY.

583. ***Mr. S. C. Mitra:** (a) Has the attention of Government been drawn to a paragraph in the "By the Way Column" of the *Amritabazar Patrika*, dated the 6th March, 1934, Town Edition, about the Hardinge Bridge on the Eastern Bengal Railway? If so, did Government consider Mr. G. C. Banerji's diagnosis of the causes of the breaches in the Hardinge Bridge as correct?

(b) Is it a fact that the Chief Engineer, Eastern Bengal Railway, stated in the course of a Press interview shortly after the breaches in the guide bank, that he had examined the bridge and that he was in a position to say that there was absolutely no cause for alarm?

(c) Did not Mr. G. C. Banerji, retired Executive Engineer, Public Works Department, Bengal, in his statement warn Government that the breaches in the guide bank were not due to ordinary causes and there was cause for serious alarm?

(d) Do Government propose to consider in future the question of consulting and engaging engineers, who have got training and experience about the soil condition and river courses in Bengal, in connection with the Hardinge Bridge and its repairs?

(e) Did Government engage any engineer of the Sibpur Engineering College who had special knowledge and experience of local soil condition and river courses in Bengal?

(f) Do Government propose to consider specially the claims for appointment of engineers from the Sibpur Engineering College in connection with the Hardinge and other Railway Bridges in Bengal?

Mr. P. R. Rau: (a) Government have seen the paragraph referred to, and have recently also received communications from Mr. G. C. Banerji on the subject of the breach in the guide bank of the Hardinge Bridge. Mr. Banerji's general diagnosis of the causes of the breach does not differ materially from that of the railway engineers who have been dealing with the problem.

(b) I have not seen the statement referred to and, as the Chief Engineer in question is on long leave at present, I am unable to ascertain exactly what he meant by it. I have, however, seen an article that was published in the *Statesman* on the 8th of October, 1933, and presumably was based on the press interview in question. From that article it would appear that the Chief Engineer assured the Press that the bridge itself was in no immediate danger, and his intention must have been to reassure the public and to contradict a strong rumour that, I understand, was current at the time, to the effect that the bridge itself had already been or was likely to be seriously damaged.

(c) Any warning that Mr. G. C. Panerji may have issued shortly after the guide bank had been breached, could only have confirmed the opinion the railway engineers concerned had already formed, that the damage was not due to ordinary causes and was not to be treated lightly.

(d) Government have already consulted, first in 1932 and again recently, Sir Robert Gales who was responsible for the design and construction of the Hardinge Bridge, who has had considerable experience in connection with the bridging and training of large rivers in the alluvial plains of Northern India generally, and not merely in Bengal, and who has for long been considered an authority on the subject of river training. Government will continue to follow in the future their existing policy of consulting those who, in their opinion, are best fitted to advise regarding the measures necessary to safeguard the Hardinge Bridge.

(e) Government do not propose to engage at present any other engineer to advise them in connection with the Hardinge Bridge, in view of the fact that they have already obtained the advice and recommendations of one of their Consulting Engineers, who is eminently fitted for that duty.

(f) Government have no reason to think that engineers from the Sibpur Engineering College are *ipso facto* experts on river training and control in Bengal. Many years of practical experience in such work is necessary to produce engineers capable of dealing with those problems, and such experience can be gained by any engineer irrespective of the College he may have been trained at. The Eastern Bengal Railway itself is a good training ground for engineers in such work, as it has many bridges over large rivers in Bengal and Northern Assam, so that all engineers employed on that Railway gain practical experience in river training and control as part of their normal duties.

FORMATION OF THE "KARNATAK PROVINCE".

584. *Rao Bahadur B. L. Patil: (a) Is it a fact that the Madras Legislative Council passed resolutions, once in 1929 and again in 1933, recommending to Government that urgent steps be taken for the formation of "Karnatak Province"?

(b) If so, will Government please state whether the resolutions have been forwarded to them, and if so, whether any action has been taken in the matter?

The Honourable Sir Brojendra Mitter: (a) and (b). The Government of India received the resolutions in question from the Local Government and forwarded them to the Secretary of State for India.

AMALGAMATION OF COORG WITH A MAJOR PROVINCE.

585. *Rao Bahadur B. L. Patil: (a) Are Government aware that an agitation is afoot in Coorg to amalgamate the province of Coorg with Mysore in case Government do not set out to form an independent administrative province for all the Kannad speaking people now living under Bombay, Madras and Coorg Governments?

(b) Is it a fact that the Commissioner of Coorg invited various public bodies in Coorg to submit their views regarding the future treatment of Coorg, for the purpose of placing them before the Consultative Committee of the Round Table Conference in 1932?

(c) If so, will Government please state whether the Commissioner forwarded the views to the Consultative Committee? Will Government further state what was their own opinion in this respect?

(d) Have Government arrived at any conclusion regarding the question of amalgamating Coorg with a major province?

The Honourable Sir Brojendra Mitter: (a) Government are aware of a movement in Coorg in favour of its amalgamation with Mysore. They are also aware of demands which have come up from time to time for a separate Karnataka Province.

(b) Yes.

(c) The views were forwarded to the Government of India by the Chief Commissioner.

(d) I would refer the Honourable Member to White Paper proposals 50 and 60 to which Government have nothing to add.

PREPARATION OF LEGISLATIVE ASSEMBLY ELECTORAL ROLLS IN SIND.

586. ***Mr. Lalchand Navalrai:** (a) When were the existing Legislative Assembly electoral rolls originally made and when were they revised?

(b) Who provides money spent on their preparation?

(c) Have Government of India or the Provincial Governments ever contributed any amount for the purpose? If so, how much and when since 1920, especially for Sind?

(d) Are Government aware that the rolls contain names of voters who are dead, or have left the station concerned, or have not the necessary qualification, or the names of those who possess the required qualification are omitted?

(e) What is the agency which prepares the electoral rolls for both the urban and rural areas, and what publicity is given in order to give notice to the public that the rolls are being prepared? Is it by means of one newspaper, or more, that such information is conveyed to the public? Is it published in English, or vernacular as well?

(f) Is it a fact that in Sind lately such a notice was given for Karachi through the medium of one Anglo-Indian paper only?

(g) Is it a fact that the Sind Government have assigned that work for Karachi to the City Deputy Collector and have asked the public to help him?

(h) Will Government be pleased to state how much money have they provided for the preparation of the electoral rolls in Sind?

(i) Are Government aware that there are no established political parties in India as are in England to send lists of qualified voters and has any official agency been created for getting correct information from people both in urban and rural areas, before the preparation of an up-to-date electoral roll? If so, which is the agency in Sind? If not, why not?

Sir Lancelot Graham: (a) The electoral rolls for the constituencies of the Legislative Assembly were first prepared in 1920. By rule 9 of the Legislative Assembly Electoral Rules the rolls are required to be revised every three years.

(b), (c) and (h). Under item No. 44 of Part II of Schedule I to the Devolution Rules, elections for the Indian Legislature are a provincial subject, and consequently the respective Local Governments bear all the expense of conducting these elections.

(d) Government have no information.

(e) The Honourable Member is referred to the regulations for the preparation of electoral rolls contained in the Legislative Assembly Electoral Regulations for the various Provinces.

(f) and (g). Government have no information.

(i) The local officers appointed under the Provincial Regulations are entrusted with the duty of collecting correct information as far as possible. As to the agency in Sind, the Honourable Member's attention is invited to the Legislative Assembly (Bombay) Electoral Regulations.

CREATION OF BENCH COURTS OF HONORARY MAGISTRATES IN INDIA.

587. ***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state, whether the Bench Courts of Honorary Magistrates in India were created by the Government of India or the Secretary of State for India?

(b) Were they created during the War times for temporary purposes or not?

(c) Are these Bench Courts of Honorary Magistrates in the centrally administered areas also?

The Honourable Sir Harry Haig: (a) and (b). Benches of Honorary Magistrates are set up by order of the Local Government under sub-section (1) of section 15 of the Criminal Procedure Code. That section has been in the Code since 1872 and was not introduced as a war measure.

(c) There are Bench Courts in centrally administered areas.

ARRANGEMENTS FOR THE BOARDING AND LODGING OF FOREIGNERS DETAINED IN INDIA.

588. ***Mr. M. Maswood Ahmad:** (a) Will Government please state whether they make any arrangement for the boarding and lodging of those foreigners who are detained in India at the instance of His Majesty's Government and are not granted passports to go back to their own country or any other part of the world?

(b) If so, what are those arrangements and from which item of the Budget are such expenses met?

(c) If the reply to part (a) above be in the negative, will Government please state the reasons for not providing adequate shelter and giving maintenance allowances to these persons?

Mr. B. J. Glancy: (a) So far as Government are aware, no foreigner has been detained in India in the circumstances suggested by the Honourable Member. The question of making arrangements for their board and lodging has not, therefore, arisen and Government can make no statement on the subject.

(b) and (c). Do not arise.

Mr. M. Maswood Ahmad: Is it a fact that one Shaikh Tahir Dabbagh has been detained in India and that his passport has been cancelled?

Mr. B. J. Glancy: As regards this gentleman, my information is that at his request arrangements have been made for him to proceed to Iraq, and facilities have been given.

CANCELLATION OF THE PASSPORT OF SHAIKH TAHIR DABBAGH.

589. **Mr. M. Maswood Ahmad:** (a) Is it a fact that the passport of Shaikh Tahir Dabbagh was sent for by Government through the United Provinces Government when he was staying at Lucknow?

(b) Is it also a fact that Government have not yet returned the same?

(c) Is it a fact that Government have cancelled the passport at the instance of His Majesty's Government?

(d) Will Government please state the reasons which led to the cancellation of the passport?

Mr. B. J. Glancy: (a) and (b). Yes.

(c) The passport was impounded at the instance of His Majesty's Government.

(d) Government are not prepared to state the reason which led to the passport being impounded.

Mr. M. Maswood Ahmad: Will the Honourable Member be pleased to state whether this gentleman is at present in India or outside this country?

Mr. B. J. Glancy: As I said just now, arrangements have been made at his request for his transfer to Iraq. Whether he has actually gone there or not, I have no information.

Mr. M. Maswood Ahmad: Will Government be pleased to state if he is a subject of the Hedjaz Government or of any other Government, and, if he is a subject of any other Government will Government be pleased to state which Government that is?

Mr. B. J. Glancy: According to my information, he is a Hedjazee, but he obtained the passport which he possesses by misrepresenting himself to be an inhabitant of Mokala.

Mr. M. Maswood Ahmad: Will Government be pleased to state why they are not prepared to state the reasons why the passport was cancelled? Was it cancelled in the interests of India or in the interests of the British Government?

Mr. B. J. Glancy: The passport has not been cancelled.

Sardar Sant Singh: May I know what authority granted the passport originally?

Mr. B. J. Glancy: The passport, according to my information, was granted by an authority entitled to grant passports for inhabitants of Mokala.

Sardar Sant Singh: I want to know which Government it is.

Mr. B. J. Glancy: I am not clear as to who the exact authority is.

Mr. M. Maswood Ahmad: Have the Government of India any authority to cancel a passport granted by another Government?

Mr. B. J. Glancy: The Government of India have not cancelled the passport.

Mr. M. Maswood Ahmad: Will Government be pleased to state whether this passport was returned to this gentleman if it has not been cancelled?

Mr. B. J. Glancy: The passport, as I said just now, has been impounded at the instance of His Majesty's Government, and Government are not prepared to state the reasons why that passport was impounded.

Mr. M. Maswood Ahmad: May I know if this passport was impounded in the interests of India or in the interests of some other Government?

Mr. B. J. Glancy: As I said just now, the passport was impounded at the instance of His Majesty's Government.

Sardar Sant Singh: May I know under what legal authority a passport can be impounded in British India?

Mr. B. J. Glancy: I should like notice of that question.

Mr. M. Maswood Ahmad: Will Government be pleased to state whether any money has been paid to this gentleman while he has been detained in India on account of his passport being impounded?

Mr. B. J. Glancy: I am not aware that he has been detained, nor that any money has been paid to him.

Sardar Sant Singh: May I know if there is any law in British India by which an undesirable alien can be sent out of the country?

Mr. B. J. Glancy: The Honourable the Law Member would be in a better position than I am to answer that question.

Dr. Ziauddin Ahmad: Does the confiscation of his passport mean that he is not allowed to leave this country?

Mr. B. J. Glancy: As I said just now, arrangements have been made at his request for him to proceed to Iraq.

APPOINTMENTS AND DISCHARGES IN THE DINAPUR DIVISION OF THE EAST INDIAN RAILWAY.

590. *Pandit Satyendra Nath Sen: With reference to Mr. P. R. Rau's answer to my starred question No. 521, dated the 19th March, 1934, will Government please enquire and state:

- (a) how many appointments among non-gazetted cadres have been made in Dinapur between 1926 and 1932;
- (b) (i) the number of ex-army men who were in employment in the Dinapur Division in the beginning of 1931;
- (ii) the number of men who have since been discharged;
- (iii) the number of the men, by whom they have been replaced, who are strikers from the Great Indian Peninsula Railway; and
- (iv) the number of men who are related to the Head Establishment clerk who is now officiating as the Assistant Staff Superintendent in Dinapur?

Mr. P. R. Rau: No, Sir. Recruitment to subordinate ranks is within the powers delegated to the Agent, and Government see no reason to interfere.

RECRUITMENT OF MINISTERIAL STAFF IN THE IMPERIAL SECRETARIAT AND THE ARMY HEADQUARTERS.

591. *Mr. S. C. Mitra (on behalf of Mr. Gaya Prasad Singh): (a) Is it a fact that recently a circular has been issued departmentally in the Army and other allied branches of the Central Secretariat that the recruitment to the clerical and other lower grades of service should in future be stopped from South India and other Eastern Provinces?

(b) If the answer to part (a) be in the affirmative, will Government kindly state what were the considerations that led to the issue of such a circular?

(c) Is it the intention of Government to confine recruitment of ministerial staff to those areas in the up country from which recruitment to the army is usually made? If so, why?

Mr. G. R. F. Tottenham: (a) No.

(b) and (c). Do not arise.

APPOINTMENT OF INDIAN ENGINEERS AS TEMPORARY ENGINEERS IN THE MILITARY ENGINEERING SERVICE, ARMY HEADQUARTERS.

592. *Mr. S. C. Mitra (on behalf of Mr. Gaya Prasad Singh): (a) Is it a fact that in the M. E. S. (Army Headquarters) Indian Engineers with high Indian and English qualifications, are being appointed as temporary overseers on very low pay under European Military S. D. Os.?

(b) Will Government be pleased to state what qualifications the latter possess, and whether they have to pass any examination? If so, what examination?

Mr. G. R. F. Tottenham: (a) Indian engineers with high Indian and English qualifications are applying for and obtaining appointments as

temporary Overseers. This is the normal method of entry to the higher ranks of the permanent establishment. They may serve under either Indian or European S. D. Os.

(b) All Military S. D. Os. have to qualify at a special course either at the Thomason College, Roorkee, or at the School of Military Engineering, Chatham, which demands a high standard of engineering knowledge and considerable practical experience in addition. In both cases, qualifying and final examinations have to be passed.

REPAYMENT OF MADRAS GOVERNMENT LOANS.

593. *Mr. K. P. Thampan: Will Government be pleased to state whether:

- (a) their attention has been drawn to the speech of the Honourable Sir H. Stokes, the Finance Member in the Madras Legislative Council on the 13th March, 1934, in which he stated that the Government of Madras, about six months ago, approached the Government of India with a request either to reduce the rates of interest on their loans or to permit them to repay those loans from the accumulated balances and that the Government of India did not allow them to do either;
- (b) the facts stated in the speech are true;
- (c) Government have reduced the rate of interest on the loans due from other Provinces, and if so, the reason for Madras not being given a similar treatment; and
- (d) the correspondence that passed between them can be placed on the table of this House?

The Honourable Sir George Schuster: (a), (b) and (c). In October last, the Government of Madras enquired informally whether they would be permitted to repay either from their accumulated balances or by borrowing in the open market the loans taken by them in the past from the Provincial Loans Fund. We could not accede to this request as it would cut at the very root of the whole arrangement relating to the Provincial Loans Fund. The Honourable Member will realise that we ourselves have no option of liquidating the loans which we raise from the public to finance the Provincial Loans Fund except when they actually mature. Thus supposing, for example, that in, say, 1929, we had raised 20 crores on a 20-year loan at $5\frac{1}{2}$ per cent of which 10 crores was required to make advances to Provinces through the Provincial Loans Fund. Then, if in 1934, the provinces wish to pay off their 10 crores and borrow again at the current rates, we should be left with the liability of those 10 crores at $5\frac{1}{2}$ per cent at a time when we could have raised fresh money at, say, $3\frac{1}{2}$ per cent. We should in fact have to lose 20 lakhs per annum. On the other hand, we do help the Provinces whenever we get any advantage on our loans and we actually pass on to them the benefit of our conversion operations. We have already done this and the rates of interest charged to the Provinces on loans taken in the years 1921-22, 1922-23, 1923-24, 1924-25, 1928-29, 1930-31 and 1931-32, have been reduced in the case of all Provinces including Madras which took loans from the Provincial Loans Fund in those years. It is very surprising that this

fact was not mentioned by the Finance Member for Madras. Actually we have given benefits to the Provinces during the current year amounting to 34 lakhs per annum.

(d) As I have explained, there has been no discrimination against Madras. The correspondence with the Madras Government was confined to a demi-official enquiry from them to which we sent a demi-official reply. There was no official correspondence. I regret, therefore, that I am unable to lay the papers.

Mr. K. P. Thampan: Do I understand that the Government have not been able to convert the loans from which advances were made to the Madras Government and, in such loans, which the Government of India have been able to convert and reduce the rates of interest, the benefit was given to Madras?

The Honourable Sir George Schuster: We have been able to convert some loans from out of the proceeds of which the Madras Government took advances, and, in the case of those loans, we have given the Madras Government the benefit of our conversion.

Mr. K. P. Thampan: May I know the amount of benefit which the Government of India have given to Madras in that manner?

The Honourable Sir George Schuster: I am afraid that I have not got the figures: I will give it to my Honourable friend afterwards or lay it on the table or answer a further question if he likes to put it down on the paper. But I may tell him that the benefit to Madras was not very much, because they did not happen to have taken advances during those years on which we have had the benefit of conversions. As regards the whole of the Provinces, as I have told my Honourable friend, in the last year alone we have given them concessions amounting to 34 lakhs per annum: we make no profit and we do not attempt to make any profit out of the Provincial Loans Fund.

Mr. K. P. Thampan: May I know the total amount of loan that Madras has taken?

The Honourable Sir George Schuster: I am afraid I must ask for notice of that question.

Diwan Bahadur A. Ramaswami Mudaliar: Do the Government of India pay any interest to the Local Government on this accumulated balances with the Government of India?

The Honourable Sir George Schuster: According to the arrangements which have prevailed hitherto, we did not pay any interest on accumulated balances: as my Honourable friend is aware, all those arrangements will have to come under revision shortly and to be put on a definite business commercial basis, because, on the other hand, Provinces which are incurring overdrafts in the course of the year from us are not paying interest to us.

Diwan Bahadur A. Ramaswami Mudaliar: Was it open to the Local Government of Madras when the Honourable Member had his conversion scheme to tender for those conversion loans out of these accumulated balances?

The Honourable Sir George Schuster: The Government of Madras can certainly do what they like with their money: if they like to invest their money or take it away from us, they are fully entitled to do so.

Diwan Bahadur A. Ramswami Mudaliar: Is it open to the Madras Government to buy Government of India Securities in the open market out of these accumulated balances?

The Honourable Sir George Schuster: I imagine so: I would not like to say offhand that there is no restriction, and I should like to look into that point. But, as far as I know, there is no restriction on them to do what they like with their own money.

Mr. B. Das: May I inquire if the Madras Government at any time asked the permission of the Government of India to allow them to buy the Government of India loans from their accumulated balances?

The Honourable Sir George Schuster: So far as I know, no request of that kind has been made.

Diwan Bahadur A. Ramaswami Mudaliar: Is this accumulated balance with the Government of India kept in any separate fund or is it merged in the general balances of the Government of India?

The Honourable Sir George Schuster: It is merged with the general balances of the Government of India.

Diwan Bahadur A. Ramaswami Mudaliar: Is the Honourable Member in a position to state whether, if and when the Madras Government want to withdraw this accumulated balance, the Government of India are in a position to return it to the Madras Government?

The Honourable Sir George Schuster: We are certainly in a position to return it; our position is good enough to make good to any Province any balance it has got.

Dr. Ziauddin Ahmad: If all the creditor Provinces withdraw their balances, then what will happen to the debtor Provinces? Where will the money come from?

The Honourable Sir George Schuster: I think that is a hypothetical question: but it is a pertinent comment on the other questions that have been put.

Diwan Bahadur A. Ramaswami Mudaliar: So that Madras has to pay for the overdrafts of Bengal? That is also pertinent.

Mr. S. C. Mitra: Bengal is not the only Province!

Diwan Bahadur A. Ramaswami Mudaliar: And Burma and Assam.

PROPOSALS REGARDING THE INCOME-TAX DEPARTMENT IN THE NEW ORISSA PROVINCE.

594. ***Mr. Sitakanta Mahapatra:** (a) Will Government please lay on the table a copy of the proposals regarding the Income-tax Department in the new Orissa Province?

(b) Will the Orissa Province have a Commissioner of Income-tax of its own or will it be under the Commissioner of Income-tax, Bengal or Bihar?

(c) Will there be a permanent Assistant Commissioner of Income-tax for Orissa, and if so, where will his office be located?

(d) Will the operations of Income-tax Act be extended to Angul, and if so, will there be any recruitment of additional hands (Income-tax Officers)?

(e) How many Income-tax circles will the Orissa Province have and which of the present districts will be included in each such circle?

(f) What will be the revised scales of pay and strength of the Income-tax Department in the Orissa Province?

The Honourable Sir George Schuster: (a) to (c), (e) and (f). No decision has been taken as to the formation of a new Province of Orissa, and the Government have not had under consideration any proposal regarding the organisation of the Income-tax Department in such a province in the event of its being formed.

(d) The Government have not before them any proposal to remove the exemption from income-tax which is now enjoyed by persons, other than persons in the service of the Government, residing in the District of Angul.

REMISSION OF PENALTY IMPOSED FOR DEFAULTING PAYMENT OF INCOME-TAX IN BIHAR AND ORISSA.

595. ***Mr. Sitakanta Mahapatra:** (a) Is it a fact that the Commissioner of Income-tax, Bihar and Orissa, has issued a standing order to all Income-tax Officers under him, debarring them from exercising their statutory discretion in the matter of remission of penalty imposed for defaulting payment of the tax charged, without the approval of the respective Assistant Commissioners of Income-tax?

(b) What is the total number of petitions filed during the years 1927-28, 1928-29, 1929-30, 1930-31, 1931-32 and 1932-33, for remission of such penalties and how many of them have been successful each year in the Orissa Circle.

The Honourable Sir George Schuster: With your permission, Sir, I propose to answer questions Nos. 595 and 596, together. The information is being collected and will be laid on the table in due course.

NON-REFUND OF INCOME-TAX AFTER THE CANCELLATION OF ASSESSMENTS IN THE ORISSA CIRCLE.

†596. ***Mr. Sitakanta Mahapatra:** Is it a fact that even when assessments made are cancelled under section 27, or as a result of appeal or review or reference, the amount of income-tax already paid is not refunded (without specific appellate orders to that effect), until the case is done *de novo* in the Orissa Circle?

†For answer to this question, see answer to question No. 596.

COMPLAINTS AND GRIEVANCES OF INCOME-TAX ASSESSEES IN BIHAR AND ORISSA.

597. ***Mr. Sitakanta Mahapatra:** Are Government aware of the following complaints and grievances of income-tax assesseees in Bihar and Orissa, and if so, what steps have been taken for their redress:

- (a) that no waiting accommodation is provided in most of the Income-tax Offices, either for assesseees or their representatives who have therefore often to stand for hours together either in hot sun or in rains,
- (b) that unlike the recognised procedure in every other court no date is ever fixed either by the Income-tax Officers, or the Assistant Commissioner of Income-tax or the Commissioner of Income-tax for intimating the final orders in cases in which orders are reserved on the date of hearing;
- (c) that unlike the recognised procedure in every other court, no advance Cause Lists or lists of cases fixed for each day, are ever hung up by Income-tax Officers, or the Assistant Commissioner of Income-tax, or the Commissioner of Income-tax, for the facility of assesseees and their representatives, and that the assesseees are often not given even full 24 hours' notice; and
- (d) that unlike the recognised procedure in every other court the assesseees or their representatives are often not allowed inspection of their own records, on the plea of the records containing informations, which are not meant for or are confidential even for the assessee concerned?

The Honourable Sir George Schuster: (a) No; in every Income-tax Office waiting accommodation is provided for assesseees and their representatives.

(b) Assesseees are generally not required to be present on the day on which final orders are passed either in assessment, appellate or review cases. Demand notices and appellate and revisional orders are sent to the assesseees by registered post or by peon as soon as they are passed. In a very large number of cases, demand notices are handed over to the assessee on the same day after examination of accounts, and appellate and review orders communicated immediately after the hearing.

(c) Notices intimating dates of hearing are sent to the assesseees by registered post or peon. Where a number of appeals are fixed on the same day, a notice is generally hung up in the office on the date of hearing intimating the order in which the appeals will be taken up. Instructions have been issued to all Income-tax Officers to give a sufficiently long time to assesseees to comply with notices.

(d) Yes. An assessee has no right to inspect his assessment file either in person or through a representative. Income-tax authorities have, however, discretion to allow the assessee or his authorised representative to inspect in their presence any paper of which he is entitled to have a copy.

SHORTAGE OF WAGONS FOR TRANSPORT OF SUGAR-CANE FROM THE EARTHQUAKE AFFECTED AREA TO THE NEOLI SUGAR FACTORY.

598. ***Maulvi Muhammad Shafee Daoodi:** (a) Are the Government of India prepared to inquire from the Government of Bihar and Orissa whether it is a fact that the management of the Neoli Sugar Factory situated at the Manpur Nagaria Railway Station on the Rohilkhand and Kumaon Railway, between Bareilly and Kashgar, sent a telegram to the Director of Industries of the Bihar and Orissa Government soliciting the favour of supplying a sufficient number of wagons for carrying sugar-cane from the area affected by the recent earthquake, where cane growers had welcomed the proposal of the factory to absorb their cane in large quantity, but that no reply to this telegram was received for several days?

(b) Is it not a fact that a telegram was then sent to the Honourable Sir George Schuster complaining of the silence of the Director of Industries of the Bihar and Orissa Government and requesting him to arrange for the supply of wagons for the aforesaid purpose?

(c) Is it not a fact that after the complaint mentioned in part (b) a reply was received by the factory from the Director of Industries of the Bihar and Orissa Government, regretting the inability to supply wagons for carrying sugar-cane from the earthquake affected area to that factory due to shortage of wagons?

(d) What steps do the Government of India propose to take in order to help the sugar-cane growers in the area affected by the earthquake in transporting their canes to the aforesaid Neoli Sugar Factory?

Mr. P. R. Rau: (a) to (c). Government have not yet been able to obtain detailed information regarding the specific case referred to. But the Agent, B. & N. W. Railway, reports that as the supply of cane from the earthquake area to this factory would involve a haul of nearly 600 miles and the freight payable at the minimum rates would be roughly five annas per maund, the proposal does not seem to come within practical politics. In this connection, I would inform the Honourable Member that in order to facilitate the disposal of as much distress cane as possible, the Local Government have formed a Cane Marketing Board which arranges with the railway authorities for the despatches of cane to the best advantage. There are two hundred wagons a day available for the purpose. Sir Guthrie Russell, the Chief Commissioner of Railways, himself went to Muzaffarpur recently, and, on the 26th March, had an emergency meeting with the Cane Marketing Board, when arrangements for a regular supply of wagons to the satisfaction of the Cane Marketing Board were made.

(d) A copy of the question has been sent to the Director of Industries, Patna, for consideration.

Maulvi Muhammad Shafee Daoodi: Have Government made inquiries as to why the Director of Industries, Bihar and Orissa, replied in that way to the factory which had means enough for the absorption of surplus cane from the earthquake areas?

Mr. P. R. Rau: Government have not yet received a reply from the Director of Industries in reply to the letter written to him.

Maulvi Muhammad Shafee Daoodi: I hope Government will pursue this point and see that such incidents may not recur.

**AGREEMENT FOR THE CARRIAGE OF GOVERNMENT AND RAILWAY MATERIALS
BETWEEN DIFFERENT INDIAN PORTS.**

599. ***Mr. S. C. Mitra** (on behalf of Mr. Gaya Prasad Singh): (a) Has there ever been an agreement between the Secretary of State for India and the British India Steam Navigation Company, Limited, for the carriage of Government and Railway materials between different ports on the coast of India? If so, when, and on what terms?

(b) Is it a fact that there was such an agreement, dated the 14th February, 1906, on the subject? If so, what are the terms of the said agreement, and is it still in operation?

(c) Will Government be pleased to lay on the table copies of any such agreements that might have been entered into between the Secretary of State or the Government of India on the one hand and shipping companies engaged in the coastal trade of India on the other for such purpose?

The Honourable Sir Frank Noyce: Information is being collected, and a reply will be placed on the table of the House in due course.

**ADVERTISEMENTS OF TENDERS BY THE STATE RAILWAYS IN MUSLIM
NEWSPAPERS.**

600. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state how many tenders were invited, for which advertisements appeared in papers, by the State Railways, during the current year and how many tenders were received from Muslim contractors?

(b) Have these advertisements ever appeared in any of the Muslim papers? If not, have Government considered the desirability of publishing such advertisements in Muslim papers in order to receive more tenders from Muslim contractors?

Mr. P. R. Rau: The information required is not available. Government are unable to accept the principle that communal considerations should enter into the question of the contracts entered into by railways.

Mr. M. Maswood Ahmad: Are Government aware that these advertisements are not published in papers which are only read by Muslim communities, and so the Muslim contractors do not get sufficient information?

Mr. P. R. Rau: Those, who are anxious to get contracts from railways, can, I think, be expected to read the papers in which advertisements of this sort appear.

Mr. M. Maswood Ahmad: Do Government propose that information should be put in one particular paper and that the interested persons should read that paper and may come to know as to what advertisements are in their interest?

Mr. P. R. Rau: I think that the papers in which these advertisements appear are sufficiently well-known to the people who are interested in them.

Mr. M. Maswood Ahmad: Do Government propose to give a list of those papers or lay it on the table or in the Library, in which these advertisements will appear in future?

Mr. P. R. Rau: I am not aware that there are many people in the Assembly who are likely to tender for contracts from railways.

Mr. M. Maswood Ahmad: That is not the point. The point is that the contractors at present are not aware in which papers advertisements are published: so do Government propose to mention the names of papers, so that the contractors may know and read those papers? That is the point.

Mr. P. R. Rau: I cannot understand that the placing of a list of such papers in the Library of this House would serve any useful purpose.

Mr. M. Maswood Ahmad: Are Government aware that it will serve a very useful purpose if Members of this Assembly can give out the names of those newspapers to the Muslim papers in order that contractors may be aware of these papers who are favoured by the Government?

Mr. P. R. Rau: I think my Honourable friend is making an assumption that is not warranted by the facts. He is assuming that the intending contractors are not aware, at the present moment, of the papers in which these advertisements appear.

Mr. M. Maswood Ahmad: Will Government be pleased to state the reason why they are not prepared to announce the names of those papers in which they publish these advertisements? What is the harm in it? Will Government be pleased to state it?

Mr. P. R. Rau: They consider it to be quite unnecessary.

Dr. Ziauddin Ahmad: On what principle are the selections of newspapers, to which the Railway Board and the other authorities send their advertisements, made, and is it not right for us to know what those papers are, never mind whether Hindu or Muhammadan?

Mr. P. R. Rau: The principle is the need of reaching the public who are interested in these things and to get the widest publicity.

Dr. Ziauddin Ahmad: Have we not got a right to know in which papers these advertisements are published?

Mr. P. R. Rau: I don't think that there is a regular list of papers to which all advertisements are sent. It depends on the particular purpose for which advertisements are sent.

Mr. S. C. Mitra: May I take it, Sir, that advertisements are generally given to papers that have the widest circulation?

Mr. P. R. Rau: That is so.

ADVERTISEMENTS FOR VACANCIES ON STATE RAILWAYS.

601. ***Mr. M. Maswood Ahmad:** Will Government be pleased to state what is the minimum number of vacancies for which the head of a department on Indian State Railways is obliged to advertise in papers for receiving applications or what other conditions require the necessity of such an advertisement?

Mr. P. R. Rau: No minimum has been fixed. For detailed information as regards recruitment, I would invite the Honourable Member's attention to rule 53 of the Rules for the Recruitment and Training of Subordinate Staff on State-managed Railways, a copy of which is in the Library of the House.

INFLUX OF MEDICAL PRACTITIONERS FROM GERMANY, ETC., IN BOMBAY.

602. *Mr. S. G. Jog: (a) Are Government aware that there is great excitement amongst the medical men of Bombay on account of the influx of medical practitioners from Germany and any other country, it any?

(b) Have Government received any representation in the matter from Bombay medical men?

(c) Are Government aware that there was a meeting held at Bombay to consider the situation created by this influx?

(d) Will Government please state what measures they propose to take to safeguard the interests of the local medical men?

(e) Will Government please state what powers the Central Government have, under the existing provisions of law, to meet the present situation?

(f) If the Central Government have no power, will Government please state the powers possessed by the Provincial Governments in the matter?

(g) If the present powers of Government either Central or Provincial, are not sufficient to meet the situation, do Government propose to take necessary steps to amend the existing law or rules?

(h) Will Government please state whether any reciprocity exists at present between Germany and India in respect of the recognition of medical degrees and the practice of medicine in both the countries?

(i) Will Government please make a general statement of their attitude towards this question?

Mr. G. S. Bajpai: (a) Government understand that some six or seven German doctors have arrived in Bombay since the beginning of this year and that this has been the subject of comment among certain sections of the medical profession in that City.

(b) No.

(c) Yes.

(d) to (g) and (i). There is no bar against the practice of medicine by any person in India. But certain privileges in the matter of appointments and grant of certificates can be enjoyed only by persons who are registrable under the Provincial Medical Registration Acts. Government do not consider that the situation referred to by the Honourable Member calls for any action on their part.

(h) Government understand that foreigners with or without foreign qualifications can practise in Germany; but that only those persons who have passed certain examinations and obtained a license of Government are entitled to describe themselves as physicians, surgeons, etc.

Mr. S. G. Jog: Are Government aware that a meeting was held in Bombay and resolutions were passed on the 18th March, 1934, and is it a fact that a copy of the resolutions passed at that meeting has been forwarded to the Government of India?

Mr. G. S. Bajpai: I have already answered that part of the question, Sir. A meeting has been held in Bombay. Government have received a set of these resolutions, and I may inform my friend that the second resolution extends hospitality to these German doctors.

Mr. F. E. James: Are Government aware that licences to practise the medical profession in Germany are granted only to those of the Aryan stock?

Mr. G. S. Bajpai: It is quite conceivable that Nazi enthusiasm may have reached limits of this restriction, but I could not speak with any authority on this point.

Dr. Ziauddin Ahmad: May I understand then that Indians holding Indian or British degrees can practise in Germany?

Mr. G. S. Bajpai: I have already stated, Sir, that so far as the right of practice is concerned, that is not regulated by any law. The only question is whether a person can describe himself as an expert physician or surgeon. That is regulated by a law, and for that purpose a licence of the German Government is necessary.

Mr. S. C. Mitra: Do Government realise that these persecuted scientists and medical men are deprived of their German nationality, and any sin against the Government of Germany should not be inflicted on these scientists?

Mr. G. S. Bajpai: That, Sir, is an expression of opinion which, I hope, will be duly appreciated by the conveners of the meeting in Bombay.

Dr. Ziauddin Ahmad: May I know if any person, who holds a regular certificate from Indian or British Universities, can practise without any permission whatsoever from the German Government in any German town?

Mr. G. S. Bajpai: My information is that, so far as practising medicine is concerned, there is no law in Germany to restrict it.

Dr. Ziauddin Ahmad: There is a law; you cannot practise freely.

Mr. G. S. Bajpai: According to my information, there is no restriction. But if my friend has more recent information, I should be very glad to have it.

Dr. Ziauddin Ahmad: If it is discovered that Indians holding British or Indian degrees cannot practise without the permission of the German Government, will the Honourable Member be prepared to enforce the same condition in the case of the German doctors who have come to India?

Mr. G. S. Bajpai: I may remind my friend that a General Medical Council has been set up in this country, and if there are any disabilities to which Indians in Germany are subject, it will be for the General Medical Council to take up the question.

Mr. S. G. Jog: In view of the fact that there is no authoritative information on the subject, will the Honourable Member be pleased to make further inquiries from the German Government as to the exact position in regard to Indians practising in Germany?

Mr. G. S. Bajpai: I am not prepared to concede that the information, which has been given to me by my medical advisers, is less accurate than the information which my friend gathers from newspapers. If my friend is able to supply me with a copy of the German law on the subject, I shall consider if any action is necessary.

Mr. M. Maswood Ahmad: May I know if these German doctors have come here to settle down in this country permanently?

Mr. G. S. Bajpai: Whether they will settle here to their last day or go back earlier, I cannot say.

Mr. S. G. Jog: May I know if the Honourable Member will refer the whole subject to the General Medical Council for their information and let us know what action they propose to take in the matter?

Mr. G. S. Bajpai: It is not necessary for me to refer the matter to the Medical Council. Their functions are pretty well defined in the Medical Council Act.

Mr. C. S. Ranga Iyer: Will Government be pleased to state whether they will take steps to give every encouragement to these exiles from Germany, as encouragement was once given to the Parsis who fled from the tyranny of Persia, and enable them to find a home in this country?

Mr. G. S. Bajpai: So far as Government are aware, there is no handicap anywhere to these people getting all the hospitality that the people of this hospitable land are prepared to extend to them.

REPRESENTATIONS OF THE MEMBERS OF THE CENTRAL LEGISLATURE TO THE RAILWAY ADMINISTRATIONS.

603. ***Dr. Ziauddin Ahmad:** (a) Did the Railway Board issue any letter to Railway administrations in September, 1933, or on any other date, about their paying no attention to the representations of the Members of the Legislative Assembly or of the Central Legislature?

(b) Are Government prepared to lay a copy of that letter on the table of this House?

Mr. P. R. Rau: The answer to part (a) is in the negative, and part (b) does not arise.

Pandit Satyendra Nath Sen: Have the Railway Board, during recent years, respected any formal recommendation made by any Non-Official Member of this House?

Mr. President (The Honourable Sir Shammukham Chetty): That question does not arise.

Dr. Ziauddin Ahmad: Does the Honourable Member remember that I expressed this view on the occasion of the general discussion on Railways, and the Honourable gentleman did not contradict it at that time?

Mr. P. R. Rau: It has been contradicted now, Sir, at any rate.

UNSTARRED QUESTIONS AND ANSWERS.

COMPLAINTS AGAINST THE SECRETARY OF THE TEXT BOOK COMMITTEE, DELHI.

255. Seth Liladhar Chaudhury: (a) Are Government aware of the complaint, which has appeared against the Secretary of the Text Book Committee, Delhi, in the local *Tej* of the 9th March, 1934, and the daily *Watan* of the 8th March, 1934, regarding his repeated irregularities and thereby causing great loss to authors and publishers of Delhi? If so, will Government please state what steps they propose to take in this matter?

(b) With reference to the first and the last part of the reply given to question No. 96 by Bhagat Chandi Mal Gola in this House on the 26th February, 1934, are Government aware that there are complaints of his partial treatment towards Muhammedans in his capacity as District Inspector of Schools, Delhi?

(c) Are Government aware that questions are continually being put in this House against the District Inspector of Schools in this respect?

(d) If the reply to the above parts be in the affirmative, will Government please state why he has been detained in Delhi? Is it a fact that orders of his transfer to Multan as Deputy Inspector of Schools were issued in October, 1933?

Mr. G. S. Bajpai: (a) Yes; after enquiry, Government have ascertained that the allegations made in the communication to the *Watan* all refer to publications by a certain local author who has been accused of certain irregularities, and whose action is under consideration by the Text Book Committee.

(b) Yes; but no complaint has been substantiated.

(c) Some questions have been asked.

(d) The final orders of the Punjab Government are awaited, the post in question being included in the Punjab cadre.

ALLEGED PREFERENTIAL TREATMENT TOWARDS MUSLIMS IN THE EDUCATION DEPARTMENT, DELHI.

256. Seth Liladhar Chaudhury: With reference to the reply given to question No. 97 of Bhagat Chandi Mal Gola in this House on the 26th February, 1934, regarding alleged preferential treatment towards Muslims in the Education Department Delhi, will Government please lay on the table a copy of the report if it has since been received? If not, will Government please state when the report may be expected?

Mr. G. S. Bajpai: Government have enquired into the allegations and have ascertained that they have no substance. The papers submitted by the enquiring authorities are confidential and cannot be laid on the table.

COMPLAINTS AGAINST AN ASSISTANT DISTRICT INSPECTOR OF THE EDUCATION DEPARTMENT, DELHI.

257. Seth Liladhar Chaudhury: Are Government aware of the complaints appearing in the *Tej* of the 9th March, 1934, against an Assistant

District Inspector of Education Department, Delhi, who, against Government circular, on the 25th March, 1933, as Chairman passed a resolution for some unauthorised books for Delhi recognised Patshalas? If so, are Government aware that it is a serious irregularity? What action do they propose to take in this matter?

Mr. G. S. Bajpai: Yes; the Government of India have ascertained, after enquiry, that the resolution was passed by an association of the teachers concerned at a meeting which the Assistant District Inspector was invited to attend and was voted to the chair. Books Nos. (1) and (3) had already been approved by the Text Book Committee. As the names of the author or publisher of No. (2) have not been stated, it is not possible to say what series of books are referred to.

DUTIES OF THE SECRETARIES OF THE WORKS COMMITTEES OF THE GOVERNMENT OF INDIA PRESSES.

258. **Rao Bahadur M. G. Rajah:** (a) Will Government be pleased to enumerate the duties of the Secretaries of the Works Committees of the Government of India Presses?

(b) Is it a fact that invariably the Reading Branch representative is appointed as Secretary of the Works Committee in the New Delhi Government of India Press? If so, will Government kindly state the reason therefor?

(c) Is there any specific provision in the rules debarring other members of the Works Committee from holding this office?

(d) How much time has the Secretary usually to devote to discharging the duties of his office?

The Honourable Sir Frank Noyce: (a) The Secretary assists generally in collating the agenda, in conducting the meetings of the Works Committee and in writing up the minutes of the meetings.

(b) The members of the Committee elect from among them a Secretary, and his appointment is subject to the approval of the Manager. For the past three years the member representing the Reading Branch on the Works Committee has been elected as Secretary.

(c) No.

(d) The time varies with the work, and I have no record of it.

ACCOUNTANTS IN THE RAILWAY CLEARING ACCOUNTS OFFICE AND STATE RAILWAY ACCOUNTS OFFICES.

259 **Mr. S. G. Jog:** Will Government please lay on the table a statement giving the following information separately in respect of Railway Clearing Accounts Office and all State Railway Accounts Offices taken together:

- (i) total number of employees who have qualified themselves for the posts of accountants by passing S. A. S. Part II, Appendix D and Appendix E examinations;
- (ii) total number of posts of accountants; and
- (iii) the percentage of (ii) to (i)?

Mr. P. R. Rau:

	Railway Clearing Accounts office.	All State Railway Accounts Offices.
(i)	32	85
(ii)	15	134
(iii)	47%	157.6%

**EMPLOYEES IN RAILWAY ACCOUNTS OFFICES QUALIFIED FOR THE POSTS
OF ACCOUNTANTS.**

260. Mr. S. G. Jog: (a) Are not Government aware that the number of employees in the Railway Accounts Offices, qualified for the posts of accountants, is far in excess of the posts of accountants?

(b) Are Government also aware that the number of qualified hands not yet provided in the posts of accountants, is so high that there is no likelihood of the railways requiring any more qualified hands for many years to come?

(b) Are Government also aware that the number of qualified hands, Appendix D examination for some years to come to avoid unnecessary expenses to the railways in holding such examinations and giving enhanced increments to the unprovided qualified hands?

Mr. P. R. Rau: (a) and (b). The figures have been supplied in reply to the previous question, and I leave it to my Honourable friend to draw his own conclusion.

(c) Government do not consider it advisable to hold the examination in abeyance. Passing the examination is calculated to increase the efficiency of the staff.

**PERSONS QUALIFIED FOR THE POSTS OF ACCOUNTANTS IN THE RAILWAY
CLEARING ACCOUNTS OFFICE.**

261. Mr. S. G. Jog: (a) Is it a fact that some highly educated men, M.A.'s, LL.B's, B.A's and B.A's with Honours, etc., who have qualified themselves for the posts of accountant are rotting in lower clerical grades (class II or III) on Rs. 80 or 90 in the Railway Clearing Accounts Office? Is it also a fact that they have put in five to seven years' service, and that they do not stand any chance of promotion to higher clerical grades for many years to come in the natural order of seniority and can draw no benefit for passing Accountants examination?

(b) If so, are Government prepared to give the assurance that such cases will be duly considered when making promotions to class I of clerical scale?

Mr. P. R. Rau: (a) There are some graduates who have qualified for accountant's grades at present in lower grades.

(b) Promotion in the Railway Accounts Department is based on merit and efficiency and not merely on seniority.

APPENDIX D EXAMINATION.

262. Mr. S. G. Jog: (a) Is it a fact that unlike other sister departments, such as Railway Audit, Civil, Posts and Telegraphs, and Military Accounts, no benefits for passing Appendix D examination earlier is given

in spite of representations having twice been made to the Financial Commissioner of Railways on the subject?

(b) If so, do Government propose to consider giving this benefit to the people who have passed Appendix D, and S. A. S., part II examinations so far against those who will pass Appendix D examinations hereafter (while maintaining intact the present seniority of existing qualified hands) to ameliorate their extreme hardship?

Mr. P. R. Rau: (a) Yes.

(b) No. I would also invite my Honourable friend's attention to the answer I gave on the 20th March, 1933, to question No. 784, by Mr. K. P. Thampan, on the same subject.

PROMOTIONS IN THE RAILWAY ACCOUNTS DEPARTMENT.

263. Mr. S. G. Jog: (a) Is it not a fact that Sir Arthur Dickinson in his reports on the Indian Railways deprecated the practice of attaching too much importance to length of service and seniority in making promotions in accounts department and strongly insisted on making promotions chiefly on basis of efficiency and merit?

(b) Are Government prepared to consider adopting a policy of making more rapid promotions of qualified hands to encourage efficiency and merit in the Railway Accounts Department?

Mr. P. R. Rau: (a) Yes.

(b) The rules in the Railway Accounts Department already provide for promotion being made at every stage by selection based on merit and not merely with reference to seniority.

SELECTION FOR THE POSTS OF TICKET COLLECTORS IN THE MORADABAD DIVISION OF THE EAST INDIAN RAILWAY.

264. Mr. S. G. Jog: (a) Is it a fact—

- (i) that a selection for the posts of ticket collectors was held last year in the Moradabad Division of the East Indian Railway;
- (ii) that a large number of candidates from far off places were called and interviewed by a properly constituted board of officers; and
- (iii) that three or four days were spent in interviewing candidates and then a final list of successful candidates was made out?

(b) Is the Honourable the Commerce Member prepared to give the assurance:

- (i) that efforts will be made as far as possible to provide all selected candidates in future vacancies; if not, why not; and
- (ii) that no further selection will be held till the present list of selected candidates is exhausted; if not, why not?

(c) In case fresh selection is held before providing all the hands already selected, are Government prepared to give the assurance:

- (i) that the names of the candidates already selected will be included in the list of candidates selected in subsequent selection without requiring them once again to appear before Selection Board; if not, why not; and
- (ii) that candidates already selected will be given priority over those selected in subsequent selections?

(d) Will the Honourable the Commerce Member please state how far this rumour is correct that the authorities intend to hold another written examination of the hitherto selected candidates in the above mentioned selection on the occurrence of vacancies and only successful hands will be provided? If so, why?

(e) Was any understanding of holding such examination given to the candidates at the time of selection? If not, why not?

(f) Are Government aware that the rumoured condition of holding written examinations subsequently imposed without giving prior notice is causing great discontent amongst the selected candidates and the public and they regard it as a mere pretext to provide only those candidates in whom the officers are interested by condemning others at the examination?

(g) Are Government prepared to consider the question of not holding any further written examination of the already selected hands for this selection at least?

Mr. P. R. Rau: Government have no information. The power to recruit subordinate staff has been entirely delegated to the Local Administrations, and Government do not see any necessity to interfere.

ISSUE OF LOANS BY RAILWAY EMPLOYEES.

265. **Mr. M. Maswood Ahmad:** Is it permissible for a railway employee to issue loans on exorbitant rates of interest to other railway employees?

Mr. P. R. Rau: I would invite the Honourable Member's attention to rule 8 of the Government Servants' Conduct Rules which defines the position of Government servants in the matter of lending money.

RESOLUTIONS PASSED BY THE MUSLIMS OF GODHRA.

266. **Mr. M. Maswood Ahmad:** Has the attention of Government been drawn to resolution No. 1, passed by the Muslims of Godhra on the 15th January, 1934, protesting against the orders to admit the children of Railway servants in service on the Bombay, Baroda and Central India Railway? If so, what action have Government taken or propose to take in the matter?

Mr. P. R. Rau: With your permission, Sir, I propose to reply questions Nos. 266 to 269 together. Copies of the resolutions referred to have been received by the Government of India. These resolutions relate to recruitment to service on the Bombay, Baroda and Central India Railway, and the Government of India are not directly concerned in the matter; they have, however, forwarded copies of these resolutions to the Agent of the Bombay, Baroda and Central India Railway.

RESOLUTIONS PASSED BY THE MUSLIMS OF GODHRA.

†267. **Mr. M. Maswood Ahmad:** Has the attention of Government been drawn to resolution No. 2, passed by the Muslims of Godhra on the 15th January, 1934, regarding adequate representation of Muslims in service on the Bombay, Baroda and Central India Railway? If so, what action have Government taken or propose to take in the matter?

†For answer to this question, see answer to question No. 266.

RESOLUTIONS PASSED BY THE MUSLIMS OF GODHRA.

1268. **Mr. M. Maswood Ahmad:** Has the attention of Government been drawn to resolution No. 3, passed by the Muslims of Godhra on the 15th January, 1934, regarding promotions to higher posts of Muslims in service on the Bombay, Baroda and Central India Railway? If so, what action have Government taken or propose to take in the matter?

RESOLUTIONS PASSED BY THE MUSLIMS OF GODHRA.

1269. **Mr. M. Maswood Ahmad:** Has the attention of Government been drawn to resolution No. 5, passed by the Muslims of Godhra on the 15th January, 1934, demanding an increase in the agricultural Muslim percentage in Sheds on the Bombay, Baroda and Central India Railway? If so, what action have Government taken or propose to take in the matter?

COMMUNAL COMPOSITION OF THE STAFF OF THE NEW DELHI MUNICIPAL COMMITTEE.

270. **Mr. M. Maswood Ahmad:** (a) Will Government kindly lay on the table a statement showing the total number of Hindu, Sikh and Muslim clerks employed in the offices of the Secretary, Electric and Water Works Engineer, and the Health Officer, of the New Delhi Municipality?

(b) What was the strength of this staff according to communities on the 1st of April 1933? How many appointments have since then been made, and how many of them have gone to Muslims?

(c) What is the total strength of the Municipal:

- (i) Inspectors and Sub-Inspectors,
- (ii) Water and Electric Meter Readers,
- (iii) Water and Electric Meter Checkers,
- (iv) Health and Sanitary Inspectors and Sub-Inspectors,
- (v) Vaccinators, and
- (vi) Daroghas?

How many of them are Hindus, Sikhs and Muslims?

(d) What are the qualifications of the men referred to in parts (c) (iv) and (v)? Is it a fact that the majority of them have no qualifications? If so, what steps have the Municipality taken to secure qualified personnel? If they do not propose to do so, are they satisfied that the sanitary needs are adequately met?

(e) Is it a fact that the strength of the Muslim staff is hopelessly inadequate? If so, what steps have been taken to bring up their number to the required proportion?

(f) Is it a fact that the Municipal Committee employs no Muslim as an officer? If so, what steps have Government taken to employ a Muslim as an officer? If none, are they satisfied that the Muslim community is getting its due share of appointments? If not, how do they propose to secure representation of Muslims?

Mr. G. S. Bajpai: The information has been called for, and will be furnished to the House on receipt.

RETRENCHMENT IN THE METEOROLOGICAL DEPARTMENT.

271. Mr. M. Maswood Ahmad: (a) Will Government be pleased to state how many men were retrenched from the Meteorological Departments at Poona, Agra, Delhi and Calcutta, during the economy campaign of 1930-31?

(b) Will Government be pleased to state how many of them have been taken back and how many men were recruited from outside, disregarding the waiting list at each station separately?

(c) Will Government be pleased to state how many Muslims were retrenched at such stations and how many of them were taken back?

(d) Will Government be pleased to state what was the proportion of Muslims at each station before and after retrenchment and at present?

The Honourable Sir Frank Noyce: Information is being collected, and will be placed on the table of the House in due course.

CREATION OF A POST OF SUPERINTENDENT FOR CO-ORDINATION OF PERSONNEL BRANCHES ON VARIOUS DIVISIONS OF THE NORTH WESTERN RAILWAY.

272. Mr. M. Maswood Ahmad: (a) Is it a fact that a special post of Superintendent has been created for a period of six months for the purpose of co-ordination of personnel branches on various Divisions and extra Divisional offices on the North Western Railway?

(b) Is it a fact that Mr. Guran Ditta Mall has been placed on this special duty?

(c) Is it also a fact that several orders relating to re-organisation of personnel branches have been issued from time to time during the last ten years (since 1924)?

(d) Is it also a fact that Head Clerks, second men and other senior clerks of personnel branches of all the offices of the North Western Railway were given training in each sub-section of the personnel branch in the Headquarters Office, North Western Railway?

(e) If the reply to the above parts be in the affirmative, will Government please state the special circumstances which warranted the appointment of a Superintendent on special duty for the purpose of co-ordination of personnel branches during this period of financial stringency?

(f) Will Government please state to what extent the work of co-ordination has been accomplished since the appointment of the said Superintendent on this special duty and how many offices he has visited during this period and with what result?

(g) Will Government kindly state whether some more Superintendents posts will be created to co-ordinate the work of other branches, for example Works Branch, Transportation Branch and Commercial Branch?

Mr. P. R. Rau: I have called for information, and will lay a reply on the table of the House, in due course.

CREATION OF THE POST OF DEPUTY AGENT, ORGANISATION, ON THE NORTH WESTERN RAILWAY.

273. Mr. M. Maswood Ahmad: (a) Is it a fact that the post of the Deputy Agent, Organisation, has been created on the North Western Railway with a view to effect saving by job analysis?

(b) If the reply to part (a) be in the affirmative, will Government please state if the job analysis of the Head Clerk of the Copying Branch in the Headquarter office has been made, and if so, how much work is actually done by the Head Clerk, and do the duties entrusted to him justify the retention of his post?

(c) Is it a fact that the said Head Clerk has nothing to do except general supervision and the actual work of distribution and checking is done by his assistants?

(d) Is it also a fact that his assistants also supervise the amount of work done by each typist?

(e) If the reply to part (d) be in the affirmative, will Government please state what other general supervision is exercised by the Head Clerk who is holding grade VI (285—15—330)?

Mr. P. R. Rau: (a) Yes—as a temporary measure.

(b) to (e). These are matters within the competence of the Agent, North Western Railway, to decide. Government have no information.

WORK OF DISTRIBUTION OF PUBLICATIONS ON THE NORTH WESTERN RAILWAY.

274. Mr. M. Maswood Ahmad: (a) Is it a fact that the work of distribution of publications has been transferred from Central Registry Headquarters Office, North Western Railway, to the Printing Press, North Western Railway?

(b) If the reply to part (a) be in the affirmative, will Government please state if this transfer of work has reduced the work and responsibility of the Superintendent, Central Registry?

(c) Is it also a fact that the different sections of the Central Registry (receipt, despatch and record) have their respective Head Clerks to supervise their work?

(d) If the reply to parts (a), (b) and (c) be in the affirmative, will Government please state whether the recent job analysis has justified the retention of the post of Superintendent, Central Registry, in grade VII (Rs 400—20—500) and if so, will Government please give the details of the remaining duties of the said Superintendent?

(e) Do Government propose to consider the advisability of retrenching this post in view of the present financial stringency and entrusting the work of general supervision to the Office Superintendent, like other Sections which have no Superintendent, or to the Head Clerks of his Sub-Sections? If not, why not?

Mr. P. R. Rau: Government have no information. These are all within the competence of the Agent to decide, and I am sending a copy of the question to him. Government are not prepared to interfere in the matter.

REDUCTION OF THE POST OF SUPERINTENDENT, CONSTRUCTION, ON THE NORTH WESTERN RAILWAY.

275. Mr. M. Maswood Ahmad: (a) Is it a fact that the post of Superintendent, Construction, was brought under reduction last year owing to there being only 12 clerks working under him?

(b) Is it also a fact that the Superintendent of the Medical Branch, North Western Railway, has now only eight clerks under him as a result of the recent re-organization of that Branch?

(c) If the reply to parts (a) and (b) above be in the affirmative, do Government propose to consider the advisability of likewise retrenching the post of the Superintendent, Medical Branch, and reverting one of the officiating Superintendents for the sake of economy?

Mr. P. R. Rau: (a) and (b) Government have no information.

(c) I am sending a copy of the question to the Agent for his information.

OFFICIATING HEAD CLERKS IN CERTAIN GRADES ON THE NORTH WESTERN RAILWAY.

276. Mr. M. Maswood Ahmad: (a) Is it a fact that there are some officiating Head Clerks in grades V and VI on the North Western Railway?

(b) Is it also a fact that there are several men in grades V and VI on the surplus list of the North Western Railway?

(c) If the reply to parts (a) and (b) be in the affirmative, will Government please state if there are special circumstances or reasons for allowing the officiating men to continue, in the presence of the present surplus staff of the same grade?

Mr. P. R. Rau: (a) and (b). Government have no information.

(c) I have sent a copy of the question to the Agent, North Western Railway, for considering the suggestion.

DISCHARGE OF ONE NASIB ALI OF THE DRAWING BRANCH, HEADQUARTERS OFFICE, NORTH WESTERN RAILWAY.

277. Mr. M. Maswood Ahmad: (a) Is it a fact that one Kishori Lal of the Personnel Branch of the Headquarters Office, North Western Railway, was discharged on account of insubordination and for his addressing his appeal to higher authorities direct, and that he was subsequently re-instated on his appeal for mercy?

(b) Is it also a fact that another clerk named Nasib Ali of Drawing Branch of Headquarter office, was similarly discharged for an identical offence, and that his appeal for mercy was rejected?

(c) If the reply to parts (a) and (b) be in the affirmative, will Government please state why such differential treatment was meted out in two similar cases in the same office?

Mr. P. R. Rau: (a) Government have no information.

(b) Government have no information beyond that an appeal against his discharge was received by the Railway Board from Mr. Nasib Ali, which was returned to him for submission to the proper authority.

(c) Government are not aware of the details of the cases referred to, but full powers in these matters have been delegated to the Local Railway Administrations, and Government are not prepared to interfere.

NON-APPOINTMENT OF ANY MUSLIM PERSONNEL OFFICER IN THE LAHORE DIVISION, NORTH WESTERN RAILWAY.

278. Mr. M. Maswood Ahmad: Is it a fact that since the re-organisation of the divisional scheme on the North Western Railway, no Muslim Personnel Officer (D. P. O. or A. P. O.) has ever been posted in Lahore Division? If so, will Government please state whether there are special reasons for keeping off Muslim officers from these posts in particular?

Mr. P. R. Rau: Government have no information, but I would remind the Honourable Member that postings cannot be arranged on a communal basis. As regards the latter part of the question, I am sure he is aware that there are Muslim officers working as D. P. Os. or A. P. Os. on the North Western Railway.

ABSENCE OF MUSLIM COMMERCIAL OFFICERS ON THE NORTH WESTERN RAILWAY.

279. Mr. M. Maswood Ahmad: (a) Is it a fact that there is not a single Muslim Commercial Officer in the Headquarters Office or on the different Divisions of the North Western Railway?

(b) If so, are Government prepared to consider the advisability of posting an adequate number of Muslim commercial officers in these offices?

Mr. P. R. Rau: (a) No.

(b) Does not arise.

PROMOTION OF BINDERS AND WAREHOUSEMEN IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

280. Kunwar Hajee Ismail Ali Khan: (a) Is it a fact that binders and warehousemen of the Government of India Press, New Delhi, were on piece rates prior to 1927? If so, will Government be pleased to state the number of classes, with rates, and whether the promotion to the next class was given annually or biennially?

(b) Will Government be pleased to state what procedure of promotion of binders and warehousemen of the Government of India Press, New Delhi, from junior to higher grade is being observed now-a-days?

(c) Is it also a fact that no officiating allowance is given to a binder or a warehouseman when acting in place of a binder or a warehouseman getting higher pay?

(d) Is it a fact that there are four fixed grades for warehousemen and five fixed grades for binders ranging from 18-25 and 30-50, respectively, and in each case promotion to the next grade is given only on the death or retirement of a higher grade man and thus the future prospects of binders and warehousemen remain blocked till any death or retirement occurs?

(e) Is it a fact that there are certain men in the Binding and Warehouse Departments of the Government of India Press, New Delhi, who

are working for the last 15 or 20 years and are drawing Rs. 25 per mensem? If so, will Government be pleased to state whether there is any possibility of these men reaching the maximum of their grade till their retirement under the existing procedure of promotion?

(f) If the replies to the preceding parts be in the affirmative, are Government prepared to amalgamate all the nine fixed grades ranging from Rs. 18-50, and form two grades i.e., 18-25 for warehousemen and Rs. 30-50 for binders, in which they may be allowed to get increments annually like other Government employees?

The Honourable Sir Frank Noyce: (a) The reply to the first part is in the affirmative. There were eight classes on rates varying from one anna to three annas five pies per hour. No annual or biennial increment was allowed.

(b) Promotions are made as vacancies occur on the basis of seniority and efficiency.

(c) In the case of binders, the position is as stated. As regards warehousemen, the matter is under examination by the Controller of Printing and Stationery.

(d) The reply to the first part is in the affirmative. But the grades for new entrants in the case of binders vary from Rs. 25 to Rs. 45. As regards the second part, promotion on a system of grades depends on the occurrence of vacancies.

(e) There are three warehousemen on Rs. 25 per mensem who have rendered 15 years' service. Their future promotion depends on their seniority, efficiency and the occurrence of vacancies in higher grades.

(f) No.

RECRUITMENT OF MUSLIMS AS COPYHOLDERS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

281. Kunwar Hajee Ismail Ali Khan: Will Government be pleased to state whether the recruitment and appointment of Muslims as copyholders, since 1928, in the Government of India Press, New Delhi, is being made according to the Home Department letter for reservation of one-third of all vacancies to redress the communal inequalities? If not, why not, and what action do Government propose to take to make up the deficiency in the number of Muslim copyholders? Is it a fact that there are four posts of copyholders lying vacant?

The Honourable Sir Frank Noyce: The instructions issued to the Controller of Printing and Stationery regarding the application of the Home Department orders to the industrial staff do not provide for the appointment of any specified number of Muslim copyholders. The second part of the question does not arise. The reply to the last part is in the negative.

DUTIES PERFORMED BY THE ROUTINE CLERKS OF THE RAILWAY CLEARING ACCOUNTS OFFICE.

282. Mr. S. G. Jog: (a) Will Government please state the nature of duties performed by the routine clerks of the Railway Clearing Accounts Office, Delhi?

(b) Is not the despatch, receipt and other similar work in other Government Offices generally intended for clerks?

(c) What is the system in force in respect of such work in the office of the Chief Auditor, Railway Clearing Accounts Office, Delhi, and the Controller of Railway Accounts?

(d) Will Government please state the reasons why the routine clerks, doing the above duties, are not even given the status of clerks in the Railway Clearing Accounts Office?

(e) Is it not a fact that under the present rules routine clerks are given the promotions to the regular clerical grade at the rate of five per cent?

(f) What are the reasons for fixing such low percentage in respect of promotions of routine clerks?

(g) Is it not a fact that when doing the duties of clerks class I, II and III, the routine clerks of the Railway Clearing Accounts Office are denied the officiating allowances?

(h) What steps have Government taken, or propose to take, to encourage the routine clerks with good and advanced ability and necessary qualifications?

(i) Will Government please lay on the table a statement showing:

(i) the number of routine clerks promoted to clerkship since the year of 1926 and the rate of percentage;

(ii) the number of men appointed in the grade of clerks since 1926;

(iii) the number of non-matriculantes recruited in the grade of clerks since 1926; and

(iv) the number of matriculate routine clerks?

(j) Is it not a fact that in the past years crewmen, caretakers and mechanics were given the clerical jobs and no steps were taken to provide routine clerks who were actually doing the duties of clerks class I, II and III?

Mr. P. R. Rau: (a) and (d). There is no sanctioned grade of routine clerks in the Clearing Accounts Office, but there are some punchers, dak distributors who are generally and loosely called routine clerks. Their duties are punching machines, cards operation of accounting machines and distribution and registration of dak.

(b) and (c). So far as I know, receipt and despatch of dak in Government offices is generally done by the lowest grade clerks, regular clerks or routine clerks or by both according to the nature of the work and organization of the particular office.

(e) Yes.

(f) and (h). The proportion is fixed in the interests of efficiency and is designed to meet the case of deserving men.

(g) I would refer my Honourable friend to the reply I gave on the 5th February, 1934, to question No. 69, by Pandit Satyendra Nath Sen.

(i) The information is not easily available.

(j) The matter is being looked.

REPRESENTATION FROM THE ROUTINE CLERKS OF THE RAILWAY CLEARING ACCOUNTS OFFICE.

283. **Mr. S. G. Jog:** (a) Has the Financial Commissioner, Railways, received any representation from the routine clerks, duly forwarded by the Director, Railway Clearing Accounts Office, Delhi? If so, what

grievances were stated in the memorials, and what steps were taken to redress them?

(b) Is it a fact that most of the routine clerks have been continuously discharging the duties of clerks for a number of years, and that in case of vacancies occurring in the respective grades, outsiders are directly appointed?

(c) Is it not a fact that the waiting list of the retrenched persons is practically exhausted? If so, why are not chances given to the routine clerks who have been efficiently discharging the duties attached to higher grade posts for the last seven or eight years?

(d) What has led Government to overlook the recommendations of the present Director, Mr. K. R. S. Rau, in respect of modification of five per cent rule?

Mr. P. R. Rau: (a) and (d). A memorial was received by the Controller of Railway Accounts requesting chiefly that the prospects of promotion as clerk should be improved. I understand that they were informed that in view of the long waiting list of employees discharged in the economy campaign the question of improving the prospects was not practicable.

(b) I would ask my Honourable friend to refer to the reply I have just given to clause (g) of question No. 282. The reply to the latter part of the question is in the negative.

(c) There is still a fairly long waiting list of discharged men.

INTERPRETATION OF ARMY PENSION REGULATIONS.

284. **Mr. S. G. Jog:** (a) With reference to their answer to unstarred question No. 196 parts (a), (b) and (c), of the 14th March, 1934, stating "The Pension Regulations are issued by the Government of India, with whom rests the ultimate responsibility to interpret them", will Government please state whether their interpretation includes the interpretations of (i) the Military Accountant General, and (ii) the Auditor General?

(b) Are these interpretations made, and have been made, with reference to Government's day-to-day intention, or with reference to the Regulations and Army Instructions, approved by the Secretary of State for India, and the recent orders of Government on the Recommendations of the War Pensions Committee?

(c) Are Government prepared to follow the example of Great Britain where Appeal Tribunal's interpretations and adjudications as regards War Pensions are binding on the Ministry of Pensions as well as on the claimants?

(d) Are Government aware of their repeated statements in reply to questions that Regulations allow full arrears where a claim is made within the time prescribed, *vide* paragraph 44 of the Financial Regulations and their recent orders on Recommendation No. VII of the War Pensions Committee admitting full arrears in such claims, and is it a fact that the Army Department, Government of India, have set examples disallowing arrears, and that this practice will be followed by the sanctioning authority in similar other cases?

(e) Is it the intention to go back on the right of appeal accepted under Recommendation II of the War Pensions Committee?

Mr. G. R. F. Tottenham: The question is being examined, and a reply will be laid on the table in due course.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

285. Mr. S. G. Jog: (a) Will Government be pleased to state if the right of appeal against the finding of "not attributable to military service", recognized under Recommendation No. II of the War Pensions Committee, is intended to apply for peace disablements and deaths also?

(b) Did not the right mentioned in part (a) exist in Regulations, Army Instructions, or Army Orders prior to the issue of the aforesaid Government orders?

(c) If the reply to part (b) be in the negative, will Government please state the extent to which they would act up to their answer to unstarred question No. 143 (c) of the 9th March, 1932, in which they stated: "There is, however, nothing to prevent an appeal being preferred against the decision of an original board either on the point of attributability to military service, or in regard to the degree of disability"?

(d) Have the Officers Commanding been apprised of this view of Government?

(e) Are Government aware that in hard cases such as amputations of both legs certified as "not attributable", appeals against attributability are not being forwarded to the proper authorities?

(f) If not, will they be pleased to refer to letter No. 1298/40/I.M.E., dated the 8th February, 1934, of the Kirkee Arsenal?

(g) What procedure is laid down in the Regulations for the redress of grievances against a finding of "not attributable" when the Officer Commanding persists in not forwarding an appeal to the proper quarters?

Mr. G. R. F. Tottenham: The question is being examined, and a reply will be laid on the table in due course.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

286. Mr. S. G. Jog: (a) With reference to Government's answer to unstarred question No. 182 of the 10th March, 1934, given in bracket (There has been no such decision as is referred to. 'Old age' and 'debility' are not recognized as diseases and may not be used by Invaliding Boards) and state if the Adjutant General has not adjudicated a War-unfitness, nomenclatured by the Medical Board as 'old age' to be inadmissible for a disability pension as per letter No. If/Pen./12876-34, dated the 7th February, 1934, of the Royal Artillery Training Centre, Muttra?

(b) Has the attention of Government been drawn to the Ministry of Pensions' Review, given on page 329 of the 'official History' of the War, casualties and Medical Statistics of the Great War, published by His Majesty's Stationery Office, London, in which 12456 stabilized awards for 'debility' have been shown to have been made by the Ministry of Pensions in the United Kingdom?

(c) Will Government state why there is a fundamental difference between the view taken in England as regards 'debility' being a pensionable disability and the view taken by the Medical Directorate (in India) as regards 'debility' being no disease and not pensionable?

(d) Has not the term 'disability' used in Recommendation No. V of the War Pension Committee, been regarded to include 'debility' and 'old age' if they necessitate an individual's discharge preventing him from putting in further service to earn an ordinary or service pension?

(e) Have Government not allowed to such persons their accumulated War and Privilege leave?

(f) Have not they allowed any medical furlough, half-pay or without pay leave, so that the minimum number of years service required to earn an ordinary pension may be supplemented and completed? If so, what periods did they allow in the case of Indian combatants and of the followers?

Mr. G. R. F. Tottenham: The question is being examined, and a reply will be laid on the table in due course.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

287. **Mr. S. G. Jog:** (a) Will Government be pleased to refer to their answer to unstarred question No. 143(c) of the 9th March, 1932, stating that "India Army Order No. 130 of 1927 contains provision for assembling medical boards, not in cases of appeals, but in cases in which a previous medical board had not been able finally to assess the degree of the disability. Such boards cannot go into the question of origin of the disability, as that was decided by the original board", and state if it is a fact that the Army Department, Government of India, have decided that the decisions of the fresh medical board should prevail in the cases:

(i) where owing to loss, destruction or misplacement of records, formal sanction to pension by the Controller of Military Accounts was withheld in cases where the adjudication of a disability as "attributable to military service" is borne out by such an entry on a discharge certificate as "granted an injury pension by a medical board"; and

(ii) where the finding of the original medical board as attributable to military service is borne out by the fact of the grant of a Last Pay Certificate, duly signed by a Divisional Disbursing Officer showing a provisional advance of six months pension pending formal sanction to a disability pension by the Controller of Military Accounts concerned?

(b) Is it a fact that the aforesaid decision of the Government of India is arrived at in cases where the original medical board's proceedings, medical history sheets, etc., are missing?

(c) What is the basis for the decision?

(d) Will Government be pleased to state whether the decision in part (a) is not in contravention of Recommendations Nos. XII and XIII of the War Pensions Committee and India Army Order No. 130 of 1927?

Mr. G. R. F. Tottenham: The question is being examined, and a reply will be laid on the table in due course.

PAY OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

288. Sardar Sant Singh: With reference to the answer given to starred question No. 387 of the 1st September, 1933, regarding the pay of Travelling Ticket Examiners on the East Indian Railway, will Government be pleased to state the name and the nature of duty of the separate organisation of which the Travelling Ticket Examiners are part?

Mr. P. R. Rau: I would refer my Honourable friend to the Report of the Committee composed of Messrs. Moody and Ward which enquired into the system, a copy of which is in the Library of the House. The present organisation is based on their recommendations.

SUPPRESSION OF INDIAN ASSISTANT STATION MASTERS BY EUROPEAN AND ANGLO-INDIAN GUARDS ON THE EAST INDIAN RAILWAY.

289. Sardar Sant Singh: With reference to the answer given to starred question No. 389 of the 1st September, 1933, regarding supersession of Indian Assistant Station Masters by European and Anglo-Indian guards of the East Indian Railway, will Government be pleased to state the percentage of promotions to (a) Station Masters' grade (300—10—350) from qualified guards on Rs. 215 and from Assistant Station Masters, respectively, during the preceding seven years or less; (b) the posts of Assistant Station Masters, Class "A", "B", "C", "D", "E", and "F" from guards and from lower class respectively during the preceding seven years or less as may be available?

Mr. P. R. Rau: I lay on the table a statement containing the information required.

(a) Grade.	Percentage of promotion from qualified guards.	Percentage of promotion from Station Masters or Assistant Station Masters or Assistant Yard Masters.
Station Master Rs. 300—10—350 . . .	<i>Nil</i>	100%

(b) Class of Assistant Station Masters.	Posts filled by promotion from guards list.	Posts filled by promotion from lower classes.
Class 'A' Rs. 40—3—55	<i>Nil</i>	100%
Class 'B' Rs. 60—3—75	<i>Nil</i>	100%
Class 'C' Rs. 78—3—90	<i>Nil</i>	100%
Class 'D' Rs. 100—5—140	<i>Nil</i>	<i>Nil</i>
Class 'E' Rs. 150—10—250	<i>Nil</i>	<i>Nil</i>
Class 'F' Rs. 260—10—290	75%	25%

Regarding Class 'F' Assistant Station Masters, there were only four vacancies in this grade, one of which was filled by promotion from lower class Assistant Station Masters' list and the other three from Guards' list.

INCOME-TAX ASSESSEES WHO HAVE GOT THEIR PLACE OF BUSINESS TRANSFERRED TO OTHER PROVINCES.

290. **Mr. Sitakanta Mahapatra:** (a) Will Government please lay on the table a statement showing the number of assesseees who have got their principal place of business transferred from Orissa (Cuttack, Puri, Balasore, Sambalpur, Ganjam) to other Provinces between the years 1922 and 1933 and the total amount of income-tax revenue lost to Orissa in such cases and the provincial quota of the Orissa Province under Meston Settlement, therefrom?

(b) What is the amount of tax such assesseees, who have got their principal place of business transferred out of the province, had finally paid from year to year from 1922 so long as they were in Orissa and what is the amount of tax assessed on these particular assesseees from year to year in other Provinces to which they got themselves transferred since after such transfer?

(c) What is the total number of applications filed for transfer of principal place of business which have not been granted in Orissa (district by district) between the years 1922 and 1933?

The Honourable Sir George Schuster: The question refers to the operation of Devolution Rule 15. There is at present no separate Orissa Province, and, even if one were to be formed, there is nothing to show that it would come into existence before a date when constitutional changes took place which would include the supersession of Devolution Rule 15. For this reason, little purpose would be served by obtaining the information required, and, as the information could not be compiled without a very considerable expenditure of time and labour, I do not propose to call for it.

REALISATION OF INCOME-TAX DEMANDS BY CERTIFICATES OR DISTRESS WARRANTS IN ORISSA.

291. **Mr. Sitakanta Mahapatra:** (a) Will Government please lay on the table a statement showing the number of cases in which the income-tax demands had to be realised by certificates, or distress warrants each year, in each district in Orissa, including Ganjam and Sambalpur, during the period 1922 to the end of 1933, and the amount of income-tax revenue realised by such processes each year?

(b) What was the total number of persons against whom warrants of arrests had to be issued and who were put in civil jail in Orissa, inclusive of Ganjam and Sambalpur, district by district during the above period and what was the amount of revenue involved in such cases and the cost incurred on such arrests?

The Honourable Sir George Schuster: With your permission. Sir, I propose to answer questions Nos. 291, 294, 295 and 296 together. The information is being collected, and will be laid on the table in due course.

**AVERAGE TIME TAKEN IN THE FINAL DISPOSAL OF PETITIONS FOR
REMISSION OF INCOME-TAX IN ORISSA.**

292. Mr. Sitakanta Mahapatra: Will Government please lay on the table a comparative statement showing the average time taken in the final disposal of petitions for remission of income-tax as were unsuccessful and of those which were successful in the Orissa Circle?

The Honourable Sir George Schuster: The information is not on record and could not be obtained without an expenditure of time and labour that would be incommensurate with the value of the results.

PETITIONS OR APPEALS AGAINST ASSESSMENT OF INCOME-TAX IN ORISSA.

293. Mr. Sitakanta Mahapatra: Will Government lay on the table a statement showing the number of cases in which assesseees who had filed petitions under section 27, or appeals under sections 30 or 32 or review under section 33 or references under sections 66 (2) or 66 (3), were allowed to withhold payment of the income-tax demanded, without incurring any penalty, till the disposal of such petitions or appeals or reviews or references in the Orissa Circle?

The Honourable Sir George Schuster: The information cannot be compiled without an inordinate expenditure of time and labour.

CANCELLATION OF THE ASSESSMENTS OF INCOME-TAX IN ORISSA.

†294. Mr. Sitakanta Mahapatra: Will Government please lay on the table a statement showing (i) the total number of such cases in which assessments of income-tax were cancelled during the years 1928-29, 1929-30, 1930-31, 1931-32 and 1932-33, (ii) the amounts of tax already paid on account thereof, (iii) the amount of interest accrued at current bank rate during the period between the date of original payment and the date of cancellation of the assessment, and (iv) the date of final disposal in the Orissa Circle?

**DISPOSAL OF INCOME-TAX CASES IN BIHAR AND ORISSA ON GAZETTED
HOLIDAYS.**

†295. Mr. Sitakanta Mahapatra: (a) Are Government aware that the income-tax assesseees in Bihar and Orissa have been required to comply with the requisitions of the Income-tax Officers even on Sundays, and public and gazetted holidays, during the years 1931-32, 1932-33 and 1933-34, against their consent and that any non-compliance on such dates have been dealt with as default?

(b) Will Government please lay on the table a statement showing the number of cases fixed by Income-tax Officers during the Christmas holidays of 1931, 1932 and 1933, district by district, in Bihar and Orissa and the number of those which were assessed under section 23 (4)?

CASES UNDER SECTION 23 (4) OF THE INDIAN INCOME-TAX ACT IN ORISSA.

†296. Mr. Sitakanta Mahapatra: Will Government please lay on the table a statement showing the number of cases disposed of under section 23 (4) in each district during the years 1931-32, 1932-33, and 1933-34, and how many of them were re-opened by Income-tax Officers, Assistant Commissioner of Income-tax, Commissioner of Income-tax and H. C., respectively, in the Orissa Circle?

†For answer to this question, see answer to question No. 291.

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Brojendra Mitter (Law Member): Sir, I lay on the table the information promised in reply to starred question No. 432 asked by Sirdar Harbans Singh Brar on the 10th March, 1934.

BRITISH INDIAN, DELEGATES OR SUBSTITUTE DELEGATES TO THE LEAGUE OF NATIONS.

*432.

Hindus.	Muslims.	Europeans.	Parsis.	Christians.	Sikhs.	Total British Indians.
64	22	72	11	3	1	101

NOTE 1.—Advisers to delegates have not been included in the above statement.

2.—In addition a place in the Indian Delegation to the Assembly of the League of Nations was offered to Sir Sunder Singh Majithia in 1932 but owing to private affairs he was unable to accept.

The Honourable Sir Harry Haig (Home Member): Sir, I lay on the table the information promised in reply to starred question No. 523 asked by Mr. S. C. Mitra on the 19th March, 1934.

RUMOURED ILLNESS OF MR. SATIN SEN, A STATE PRISONER IN THE CAMPBELLPUR JAIL.

*523. (a) The answer to the first part is in the negative. An X-Ray examination prior to this transfer to the Campbellpur Jail showed that his hip joints were clear and free of disease. He was also examined in November, 1933, by the Civil Surgeon, Rawalpindi, who recorded the opinion that the only positive signs of any defect in Mr. Sen were low blood pressure with high diastolic pressure and pulse rapidity and that his body was suffering from loss of tone owing to lack of exercise and that what was necessary to improve his general health was that he should take more exercise. He is shortly to undergo a thorough examination by X-ray and otherwise. I should add that he is a detenu and not a State prisoner.

(b) I have no knowledge of this.

(c) His weight on arrival at Campbellpur was 159 lbs. His present weight is 143 lbs.

(d), (e) and (f) A representation from Mr. Sen for a transfer was received in April, 1933, by the Punjab Government who transmitted it to the Bengal Government. The representation was not supported by the Deputy Commissioner and was rejected by the Bengal Government.

(g) His correspondence is dealt with under the ordinary rules in force and no other restriction is placed on it.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, I lay on the table the information promised in reply to parts (b) and (c) of unstarred question No. 220 asked by Mr. S. C. Mitra on the 21st March, 1934.

MONEY ORDERS ISSUED AND PAID.

220. (b) The information is given below :—

		Number. (a)	Percentage of (a) on the total of India.	Value. (b)	Percentage of (b) on the total of India.
				Rs.	
Bengal and Assam Circle (excluding Calcutta).	Issues	8,213,000	24.05	14,70,54,000	21.69
	Pay- ments.	6,127,500	17.04	12,02,41,000	16.10
Calcutta	Issues	2,139,000	6.27	3,93,72,000	5.81
	Pay- ments.	2,858,000	7.95	6,06,54,000	8.12

(c) At the end of the year 1932-33, there were 148,552 active Savings Bank Accounts at Calcutta and the percentage of this number to the total number of accounts in the Bengal and Assam Circle is 21.54.

Mr. B. J. Glancy (Political Secretary): Sir, I lay on the table:

(i) the information promised in reply to unstarred question No. 145 asked by Khan Bahadur Haji Wajihuddin on the 6th March, 1934; and

(ii) the information promised in reply to unstarred question No. 217 asked by Maulvi Sayyid Murtuza Saheb Bahadur on the 19th March, 1934.

URS OF KHAWJA SAHIB IN AJMER.

145. (a) Government have not classified any fairs according to their importance.

(b) Holidays are declared by Local Governments at their discretion under the power vested in them by the explanation under Section 25 of the Negotiable Instruments Act, 1881, and Government see no reason to interfere with the exercise of that discretion.

(c) This question has been considered by the Agent, Bombay, Baroda and Central India Railway and discussed with his local Advisory Committee and the conclusion arrived at is that the issue of concession tickets will result in a loss of railway earnings.

(d) In view of the replies given to parts (a), (b) and (c) above, Government do not propose to take any action in the matter.

ALTERATION IN A FIRST INFORMATION REPORT RECORDED AT THE GOVERNMENT RAILWAY POLICE STATION AT SHAMGARH IN CENTRAL INDIA.

217. (a) No.

(b) to (g). Do not arise.

Mr. G. S. Bajpal (Secretary, Department of Education, Health and Lands): Sir, I lay on the table the information promised in reply to starred question No. 434 asked by Mr. Nabakumar Sing Dudhioria on the 10th March, 1934.

ARRIVAL OF DOCTORS FROM GERMANY TO SET UP PRACTICE IN INDIA.

*434. (a) It is understood that since the beginning of this year some 6 or 7 German doctors have arrived in Bombay to set up in private practice.

(b) and (c). Government have no information.

(d) Medical practitioners who are on the register of the General Medical Council of Great Britain or on the register of the Provincial Medical Councils of India are liable to be removed from such register if they resort to the practice of advertising with a view to their own gain.

(e) Government have no information.

(f) According to information which was published by the General Medical Council of Great Britain in 1929, foreigners with or without foreign qualifications can practise in Germany; but only those persons who have passed certain examinations and obtained a license of the Government are entitled to describe themselves as physicians, surgeons, etc.

(g) Government do not consider it necessary to take any steps in the matter at present.

Mr. G. R. F. Tottenham (Army Secretary): Sir, I lay on the table the information promised in reply to unstarred question No. 229 asked by Mr. S. G. Jog on the 27th March, 1934.

DISABILITY PENSION TO MILITARY EMPLOYEES INVAIDED DURING THE GREAT WAR.

229. The word "permanently" used in the Government orders on Recommendation No. XIII of the War Pensions Committee is not to be interpreted literally. Of the three documents specifically referred to by the Honourable Member, hospital cards are not maintained for Indian troops and followers. Medical History Sheets and casualty forms are retained for twenty-five years after the soldier becomes non effective by discharge, death, etc.

Mr. P. R. Rau (Financial Commissioner, Railways): Sir, I lay on the table

- (i) the information promised in reply to unstarred question No. 74 asked by Mr. S. C. Mitra on the 13th September, 1933;
- (ii) the information promised in reply to starred question No. 1359 asked by Mr. E. H. M. Bower on the 11th December, 1933;
- (iii) the information promised in reply to unstarred questions Nos. 155 and 156 asked by Mr. S. G. Jog on the 6th March, 1934; and
- (iv) the information promised in reply to starred question No. 354 asked by Khan Sahib Shaikh Fazal Haq Piracha on the 6th March, 1934.

RECKONING OF SENIORITY ON THE NORTH WESTERN RAILWAY.

74. The Agent, North Western Railway reports that seniority in a grade is based on the date of confirmation in that grade and between grades an individual on a higher scale of pay ranks senior to one on a lower. Promotion from grade to grade is dependent on fitness as well as seniority.

RULES FOR THE RECRUITMENT AND TRAINING OF THE SUBORDINATE STAFF ON STATE RAILWAYS.

*1359. (b) and (c). On the North Western, Great Indian Peninsula, and Eastern Bengal Railways no drivers were recruited as probationers or appointed direct since 1931. On the East Indian Railway, one Hindu was recruited as a probationer for training as a driver and one European and 4 Muslim drivers were appointed direct as they had previous experience on that railway.

RE-INSTATEMENT OF "B" GRADE GUARD EX-STRIKERS ON THE GREAT INDIAN PENINSULA RAILWAY.

155. The Agent, Great Indian Peninsula Railway, reports :—"No "B" (Guard) grade ex-strikers have been reinstated in their former grades. There have, however, been no vacancies which required to be filled."

TREATMENT OF RE-INSTATED EX-STRIKERS ON THE GREAT INDIAN PENINSULA RAILWAY.

156. Ex-strikers of the Great Indian Peninsula Railway borne on the waiting list of reinstatement and taken on after the 16th July, 1931, have been engaged in an officiating capacity in accordance with the orders under which all vacancies which might occur after that date were to be filled in an officiating capacity or on a temporary footing. Existing orders provide that a railway servant re-employed in an officiating capacity who would, but for the decision referred to above, have been appointed on a permanent footing will be eligible to subscribe to the Provident Fund. The latter part of the question does not therefore arise.

SYSTEM OF RECRUITMENT OF PERMANENT WAY INSPECTORS ON THE NORTH WESTERN RAILWAY.

*354. (a) Permanent Way Inspectors are not recruited direct. They are promoted from Assistant Way Inspectors on the following basis : -

75 per cent from Assistant Way Inspectors, Grade II (recruited from apprentices).

25 per cent from Assistant Way Inspectors, Grade I (promoted from Mates, Time-Keepers etc.).

(b) There is no such designation as "Assistant Inspector Grade II". An Assistant Way Inspector, Grade II, qualified for the post of a Permanent Way Inspector, is an employee who has been recruited as such on the successful conclusion of a four years' apprenticeship as an apprentice Permanent Way Inspector and who is recommended as fit for the post of Permanent Way Inspector, whereas an apprentice P. W. I. working as an Assistant Way Inspector, Grade II, is still an apprentice undergoing a four years' apprenticeship, during the last year of which he is required to be in-charge of a section of Railway line, a large station, permanent way renewals, etc., under the instructions of the Permanent Way Inspector.

(c) (d) and (e) As already explained in the reply to (b) above, apprentice Permanent Way Inspectors are recruited on the successful completion of their apprenticeship as Assistant Way Inspectors Grade II, as vacancies permit. Vacancies of Permanent Way Inspectors are filled from Assistant Way Inspectors, Grades II and I, in the proportions given in the reply to part (a) of the question above.

(f) The Agent, North Western Railway considers that the present system gives adequate consideration to the claims of Assistant Way Inspectors, Grade I, for promotion to the post of Permanent Way Inspectors. No change is proposed.

ELECTION OF THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

The Honourable Sir Joseph Bhoré (Member for Commerce and Railways): Sir, I beg to move the following:

"That this Assembly do proceed to elect in such manner, as may be approved by the Honourable the President, 11 members from the Assembly who shall be required to serve on the Standing Finance Committee for Railways, as provided for in clause 6 of the Resolution adopted by the Legislative Assembly on the 20th September, 1924, on the subject of the separation of Railway Finance."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That this Assembly do proceed to elect in such manner, as may be approved by the Honourable the President, 11 members from the Assembly who shall be required to serve on the Standing Finance Committee for Railways, as provided for in clause 6 of the Resolution adopted by the Legislative Assembly on the 20th September, 1924, on the subject of the separation of Railway Finance."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): I may inform Honourable Members that for the purpose of election of Members to the Standing Finance Committee for Railways, the Assembly Office will be open to receive nominations upto 12 Noon on Thursday, the 5th April, and that the election, if necessary, will, as usual, be held in the Secretary's Room on Saturday, the 7th April, 1934. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE SUGAR (EXCISE DUTY) BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the motion* moved by the Honourable Sir George Seluster on the 29th March, 1934, and the amendment† moved thereon by Mr. M. Maswood Ahmad.

Seth Haji Abdoola Haroon (Sind: Muhammadan Rural): Sir, yesterday I was narrating to the House what benefit the sugar industry has conferred on India. I have already told you that last year the Railway Department

*"That the Bill to provide for the imposition and collection of an excise duty on sugar be referred to a Select Committee consisting of Diwan Bahadur A. Ramaswami Mudaliar, Mr. S. C. Mitra, Mr. Muhammad Azhar Ali, Seth Haji Abdoola Haroon, Lala Hari Raj Swarup, Mr. Jagan Nath Aggarwal, Mr. Bhuput Singh, Lala Rameshwar Prasad Bagla, Mr. R. S. Sarma, Mr. A. Das, Bhai Parma Nand, Mr. C. S. Ranga Iyer, Mr. F. E. James, Mr. G. Morgan, Nawab Major Malik Talib Mehdi Khan, Sardar Nihal Singh, Major Nawab Ahmad Nawaz Khan, Mr. G. S. Bajpai, Mr. G. S. Hardy, and the Mover, with instructions to report within seven days and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

†"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st of August, 1934."

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increased their income by Rs. 2½ crores, a big portion of which must be attributed to the sugar industry. To my knowledge, 400 tons of sugar machinery were imported, the railway freight on which was between Rs. 50,000 and Rs. 60,000. Moreover, the factories have to get cement, lime, concrete, and hundreds of other things, and, according to my calculation, each factory has paid railway freight to the extent of not less than one lakh of rupees. Last year, 75 new factories were established in different parts of India, and each factory has spent, including railway freight, about Rs. six lakhs, and, in the shape of wages to labourers, artisans, and others, they have paid about Rs. 4½ crores which has minimised the depression in India. The sugar industry has helped in solving the unemployment in the country. At present about 140 factories are working, and each factory employs about 1,000 men. It means that 150,000 people get employment from the sugar industry. Besides that, not less than 5,000 educated people are employed in these factories as technical men, such as chemists, clerks, accountants, and so on. Again, according to this year's estimate, about 5½ million tons of sugar-cane will be crushed in these factories. In India, the average yield is ten tons per acre, and that means about 5½ lakhs of acres are cultivated by the agriculturists. I do not know how many agriculturists will be required to cultivate 5½ lakhs of acres of land, but it cannot be less than 5½ lakhs of men. I may remind the House that this so-called protection duty was levied by the Finance Member as a revenue duty.

Let me now come to the question of profits which these sugar manufacturers are supposed to be making. There is a loud cry outside this House, in this House and by the Finance Member that the sugar manufacturers are making huge profits. Unfortunately, up till now nobody has cited figures to show that such and such a factory has made 50 per cent, or 100 per cent, or 20 per cent, or 30 per cent, profit, but only vague allegations are made that because it cost five rupees to make sugar and it is selling at ten rupees, therefore, the manufacturers have made five rupees per maund as profit. I cannot deny that, on account of the high revenue duty between 1929 to 1932-33, the old established factories have made profits, but I may explain—I am sorry I am not fluent enough to express myself properly, but I may put the facts before the House in my own way. It must be remembered that the sugar industry had been in existence for a long time, but it came to be properly organised since 1929-30, and, from 1929-30 to 1932-33, only 57 factories commenced to work and they produced about 3,50,000 tons of white sugar, whereas the consumption in India is about 11 or 12 lakhs of tons. If these 350,000 tons had been imported from Java, the price of Java sugar for the last two years is Rs. 10 a maund at the ports, and they have to pay a freight of Rs. 1-8-0 per maund, and so, in the interior part of the country, say, the United Provinces, Western Punjab, Northern Punjab, Eastern Bengal and Bihar, they could not purchase sugar for less than 11-8-0 per maund. But these factories erected at these centres are able to sell their sugar at Rs. 10-12-0, or Rs. 10-8-0, or Rs. 10-4-0, or even Rs. 10 a maund. Because the people of those places cannot purchase sugar for less than Rs. 11 or Rs. 11-8-0, those factories are able to sell their sugar at Rs. 10, but as the production of these factories commenced to increase and these places are unable to consume all the sugar, the sugar manufacturers have to sell their sugar in far away places to dispose of them. On account of this,

they have to pay heavy freight to the railways. I want to give you one instance. From the United Provinces to Madras, the railway freight charged is Rs. 1-4-0, sometimes Rs. 1-6-0 sometimes Rs. 1-4-0 and sometimes Rs. 1-3-0. Up to Karachi, 1-8-0, 1-4-0, 1-3-0, and so on. All these people have to send their sugar to these ports, because all the sugar cannot be consumed in the territory where it is manufactured. In many foreign countries, such as Germany and England, they are selling their sugar at Karachi at Rs. 10 and they are also selling in Cawnpore where sugar is manufactured at Rs. 10, because they have a big organisation. In Java also, they fix the price for the different countries. Today they want to compete with India, because India has commenced to manufacture sugar. But unfortunately we are not organised well. Later on, the sugar market went down, with an average price of 7-12-0.

Now, I want to draw the attention of the House to what the Tariff Board say on page 69. They show two prices, the present price, that is to say, when the report is written, and another, the price during the period of protection in which you find that they have put all the costs separately, such as the raw materials, labour, power, fuel, supervision and office charges, repairs, packing and miscellaneous. For the first period, they say that sugar will cost Rs. 8-3-1 per maund and have deducted 1-10-8 for the molasses, leaving 7-8-5, they put overhead charges and profit at ten per cent 1-13-4, and they say that 9-5-9 is a reasonable price, but, at the end of the protection, they consider that 7-12-5 is a reasonable price. I want to inform the House that, within a year or two, the sugar manufacturer brought down the price to 7-12-0 which the Tariff Board considered reasonable at the end of the period of protection, and, besides that, we do not get anything from molasses. I have given these figures to show to the House what these figures represent and what are the profits. These are the figures given by the Tariff Board on more profitable rates. If this is true, then we are losing six annas nine pies as the molasses price, and now our Honourable friend, the Finance Member, comes forward with one rupee excise duty. Can any Honourable Member imagine that the sugar manufacturer can make a profit? If this is the condition of things, then the sugar manufacturer will sustain loss.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): We have got these figures. May I ask the Honourable Member to give a certified copy of the figures of certain factories actually at work at Gorakhpur or Pilibhit or some of the places in the United Provinces, because we manufacture there 50 per cent of the sugar in the country?

Seth Haji Abdoola Haroon: I am bringing these figures, and I do not know whether the Honourable the Finance Member or the House will accept them. I want to give you the instance of a few factories. They are all shareholders companies. First is the Basti Sugar Works under the management of an Indian.

Dr. Ziauddin Ahmad: That is an expensive factory. That is in my own constituency.

Seth Haji Abdoola Haroon: The Doctor Sahib is always expensive. He gives tea parties and dinners. I am not giving so many parties. The Doctor Sahib is generous. I cannot consider it as very expensive. For

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the Basti Sugar Works, the share capital is Rs. 7,86,000 and block capital Rs. 27,71,000. What is the profit they have gained? In 1932, 30 per cent, in 1933, 25 per cent. The average is not more than ten per cent on the block capital. I shall give another instance—the Cawnpore Sugar Works which was established 25 years back. The Company is managed by the well-known European firm of Begg Sutherland and Co. 15 lakhs share capital and block capital of 68 lakhs. They have built up their reserves and so on. They gave 35 per cent in 1932, and 30 per cent in 1933. In 1934, they cannot give more than 20 or 25 per cent according to my calculation. It is six per cent on the block capital and 30 per cent on the share capital. Then, the Punjab Sugar Mills, conducted by an Indian gentleman. It is ten lakhs paid up share capital, 16 lakhs of rupees paid-up capital account, 40 per cent they gave in 1932, 20 per cent they gave in 1933—average 11 per cent. Another Company, John Findlay, an English Company, had 11 lakhs paid-up capital, 20 lakhs block capital, and they gave 15 per cent in 1932. 12½ per cent in 1933—average 6.6 per cent was paid to the shareholders. These are all old companies—some were started five years ago, some ten years ago, some 25 years back.

I shall now give you some facts and figures regarding some of the new Companies. The Bera Sugar Company, established in 1932, commenced to work in 1932, five lakhs of capital, 8.45 lakhs block capital, gave 10 per cent in the two years, average 5.9 per cent. The Ganesh Sugar Company eight lakhs share capital, 9.47 lakhs block capital, ten per cent dividends, average 8.5 per cent. The New Swadeshi Company, ten lakhs capital, average 4.8 per cent dividend. The Diamond Sugar Company, ten lakhs capital, Rs. 10,35,000 block capital, 2.6 per cent dividend. Besides that, there is always a general argument sought to be made.

Yesterday, my friend, Mr. Muhammad Yamin Khan, told us that within two years the Daraula Factory made up all their capital. I have been three times to that Factory, and some few miles away there is a Factory in Mansurpur which belongs to my friend, Lala Hari Raj Swarup. I have been there also, and, Sir, I was quite astonished when I heard that within two years the Daraula Factory made all this cent per cent profit. I also have experience of my own Factory, and I think that the Daraula Factory is owned by Lala Shri Ram. Now, he has got his big works in Delhi, I mean to say the workshop in Delhi, and he has got one or two cloth mills and he has a lot of experience of machinery, and what I say is that, as regards that Company, there were lots of trouble with regard to machinery, but he kept three motor cars and one lorry ready immediately to send back parts to the works for repairing them or putting in new parts. Well, this Mansurpur Factory of my friend, Lala Hari Raj Swarup, has got no works, and I am afraid that Factory is not working and may have to close. I asked my friend—how is this? He said: "I have got these difficulties and I have sent my men here and there, and, therefore, I am unable to work". I want the Government and the House to know that if we are unable to work our sugar factory for one minute we incur a loss of three rupees per minute. If we are unable to work our factory for one hour, we lose about Rs. 200 and if we are unable to work our factory for 20 hours, we stand to lose

Rs. 5,000; and all my Honourable friends know that we, who have established these new sugar factories, have had no previous experience, and, unfortunately, in our country, there is no supply of an adequate number of technical men or of trained labour—chemists or engineers—who have to run the sugar factories. So, nobody can imagine what sort of difficulties we are experiencing in these days. Of course, they say: "You are making lots of profit". Sometimes my friend, Mr. Joshi, suggested to the Government that all these industries should belong to the State, that we should nationalise them all, and so on. Now, if the Government or the public come forward, and if all these sugar factory owners are assured of at least a return of ten per cent, as was suggested by the Tariff Board, then all of us, including my friend Lala Shri Ram, will come forward and hand over our factories to some organisation which will give us a ten per cent profit. Everybody here or in the Bazar can say whatever he likes, but no organisation or no Company comes forward to take up all these factories. So we have to organise ourselves, work for ourselves and make the industry as successful as we can, whether we get ten per cent. or 20 per cent profits, or we have to lose.

Sir, I hope I have now established clearly before the House that the sugar factories are not making such huge profits as has been suggested; and, side by side, I have also shown by means of figures that, if the proposed excise duties are levied on sugar factories, then, not only can they not make any profits, but they will lose utterly.

Sir, now I want to suggest to the House and particularly to the Government Benches that, before you levy the excise duty, you should examine the whole situation. I think no one in this House nor even ourselves can grudge or can object to that excise duty if a reasonable profit say, ten per cent. as has been suggested by expert bodies, is assured to us; and, in that case, I am willing to accept, instead of Rs. 1-5-0 even two rupees per hundredweight as excise duty. But if I find that, after paying this excise duty, not only do I not make any profit, but the industry has been groaning and has been suffering and thereby the whole country also has been suffering, then we must oppose this excise duty in this House. Sir, I know very well as a sugar merchant that all over the world the consumers are paying excise duties and very heavy excise duties to their Government. I also have no objection to paying an excise duty, but, first of all, we have to consider whether the industry can at present bear such excise duty or whether it can bear in one or two or five years one rupee, two rupees or five rupees of such duty. We must consider all these points. I know the time has come when the Government cannot get much money from the customs duties. The time has come when, day by day, you will find that the income from the customs duty on account of high duties and also on account of some tariff walls all over the world will diminish. I know the time is coming very soon when Government will have to put an excise duty on sugar and matches, and I also know that in the near future Government will also have to put an excise duty on cotton, wheat, rice and other cereals, because they will be in need of money. But at the present moment, you have to consider whether the sugar industry can bear the excise duty or not. I myself do not know whether the Government of India have consulted the Provincial Governments about the levy of this excise duty or not, whether they have consulted the Imperial Agricultural Institute or not, and whether they have

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consulted the Sugar Technologist or not. I think they ought to consult all these bodies. Unfortunately I do not know anything about this matter. I do not know, for instance, what were the opinions of the Governments of the United Provinces and Bihar and Orissa. These are the centres where the sugar is mostly manufactured. I do not know what is the opinion of the Punjab Government. But, I find from the newspapers that all these Provincial Councils have condemned this excise duty. The Madras Council also has condemned this excise duty. I do not know the opinion of the Imperial Agricultural Institute. They are very much interested in this industry and they have been working for the improvement of the sugar-cane, both as regards its quality and quantity, for the last several years. They have worked very hard at it, and they have got a Sugar Committee which gives them advice. As a member of the Sugar Committee, I can say that nobody brought any point about the excise duty. So, I want to know from the Government whether they have consulted these various bodies, and, if so, whether they will lay those opinions on the table of the House or put them in the Library or submit them before the Select Committee, so that we may have the advantage of perusing them. After seeing them, I will be in a better position to help the Government. Sir, I want to know the opinions of the Local Governments. If this excise duty is levied without consulting the various bodies, whom I have mentioned, the result will be anything but satisfactory. Sir, I am a layman in this industry, and I knew nothing about it two years ago. But whatever experience I have gained during the last two years, goes to show that the prices cannot be raised above Rs. 7-12-0, because we have to sell our sugar in the ports. If we have to sell sugar at a lower price, then, in my opinion, as a layman at least, one-third of the factories are bound to be closed and the remaining two-thirds of the factories will be able to supply sugar only to the interior of the country, such as, the United Provinces, the Punjab, Bihar and Orissa and the Eastern Bengal. They will not be able to supply sugar to the ports and they cannot get sugar from foreign countries, especially from Java. Sir, Government might be satisfied with the arrangement that half the sugar consumed in this country might be produced by the local factories and the rest might be imported from foreign countries. But will my countrymen be satisfied with this arrangement? Will this House be satisfied with this arrangement? I have already said that I am a layman in this industry, but my own idea is that the sugar industry in India has a bright future before it. My own opinion is that India can supply sugar, not only for our own consumption, but also can supply the United Kingdom within the next five years.

Mr. President, you know that when we were at Ottawa, I brought this point before our Committee that India must have a preference on any article which she is not exporting at present. But, in future, India might come forward and export those things to the United Kingdom which are today being supplied by the dominions and the colonies. Immediately, somebody asked me a question and wanted to know what was my opinion about it. I said that in my opinion sugar could be exported to the United Kingdom, say, within the next five years. So, I wanted preference on sugar also. Thank God, on account of other things, they have entered clause 18 in the Ottawa Pact according to which I am now entitled to approach the

Government whenever I like and ask them to correspond with the United Kingdom Government that India must get Rs. 3-9-0 per cwt. as a preference duty as is given to the dominions. Sir, today the position in India is this. There is a talk in some newspapers and also among the Members of this House that when Java is able to produce sugar at three rupees a maund, why should we give such a heavy protection to the Indian sugar, say about five rupees per maund? They are right that Java is selling at present at three rupees a maund *c. i. f.* Calcutta and Karachi. I want to inform the House that this price is not profitable to Java but, on account of the heavy stock lying in Java, they are compelled to dispose of their sugar at three rupees per maund. Because I have dealings with Java, I know their cost is not less than Rs. 4-8-0 per maund *c. i. f.* whereas, our cost is not less than Rs. 7-8-0 per maund. The Government of India know very well that, 25 years back, Java was in the same position as we are today. The Java land could not produce cane more than 300 maunds per acre as we in India are producing today 300 or 400 maunds per acre. But, within the last 25 years, through the organisation of labour and through scientific enquiries and through the backing of the Government of Holland, they are now able to produce in Java 1,700 maunds of cane per acre. They have not only improved their quantity, but also the quality of the cane, so that they are now able to recover sugar to the extent of 9·5 to 11·8 per cent. and this is the result of 25 years' hard struggle. Are you allowing us to work like this? You do not allow the sugar industry, even to live. We started the industry only a few years back, and you cannot expect so much perfection from us immediately. Give us some time, and, as I told you, within the next five years, India will be able to export sugar to England. Today I am glad to inform the House that, not only the Government of India, but also other Provincial Governments are doing their best to improve the quality and quantity of cane and especially the Imperial Council of Agricultural Research is doing its best, and I believe that, within the next few years, India will come to the level of Java, and India, though she cannot compete with Java in all respects, can at least reduce the cost of manufacturing sugar very much below what it is today. The manufacturers of sugar in India cannot oppose this excise duty, because all over the world it is the consumers who pay the excise duty.

My request is only this that Government should enquire into the matter thoroughly and find out whether the immediate imposition of the excise duty is profitable to the country, or whether a little more time, say, one or two years, should be given before levying this excise duty. The Government of India should also consult the Provincial Governments before coming to a final decision. I know the Honourable the Finance Member is in difficulties and he wants money immediately. On account of that only, the Government consider it proper that the sugar excise duty must be levied. Of course, I cannot do anything except to appeal to the Honourable the Finance Member to consider what will be the fate of the industry in future if this duty is levied immediately. (Interruption.) I hear somebody saying that there is over production of sugar in India today. But this is not correct. In my opinion, there is room in India for 140 more factories. First of all, we must try to oust the foreign sugar imported from foreign countries, and, after succeeding in that attempt, we must try to reduce the price of sugar for internal consumption, and thus the consumption of sugar will increase. I want to inform the House that at present ten tons of cane can produce hardly one ton of *gur*, and two tons of *gur* can produce one ton of sugar, and from about 12 tons of cane you can produce one maund of white sugar from these factories. In my opinion, the time is not far off

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when people will eat more white sugar if the price is made to be less than the *gur*.

I want to bring to the notice of the Government one or more point. I have read in the newspapers that a few weeks back a Sugar Conference was held in London where the producers of all Governments met together. There is a move in the world that those countries, which are not producing sugar, should try to produce them, and those countries, which are not producing sugar in large quantities, should increase their production. I also read in the newspapers that a deputation of Lancashire people went to Holland and negotiated that in exchange for the textiles of England, Holland should send sugar from Java, and I also read that Holland was going to send two lakhs of tons of sugar to the United Kingdom. I do not know whether this is correct or not, but I do not think the Government of India are taking any steps in that direction to send something from India in exchange for some other thing from England.

There is another point that I want to bring to the notice of the Government. I want to know whether the Government of India have consulted the Provincial Governments and the Imperial Council of Agricultural Research and the Sugar Technologist, and, if so, will the Government place on the table of the House or before the Select Committee all the opinions received with regard to the sugar excise duty? Are the Government also prepared to lay on the table a list showing the amount collected by way of income-tax from sugar mills, and what percentage of profit these mills have made on their shares? This information is very important, because there is a general belief that the sugar industry is making huge profit. But the real truth is known to the Income-tax Department of the Government of India. If the Government should supply all this information, then we can understand whether the sugar factories are working efficiently, and, if they are not efficient now, they can try to improve the condition of the industry. In this way, the country also would know the real position of the industry at present.

Sir, I again appeal to the Honourable the Finance Member that, before deciding to impose this excise duty on sugar, he must consider all these things. He should consider what the cultivator will have to suffer, how it will affect the income-tax, unemployment and labour, and all these things. If, after considering all these things, the Select Committee or Government think fit to put this excise duty, I think everybody will agree to it.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I should like to put the case of the general public. We have listened with considerable attention and patience to the case that has been put forward on behalf of the manufacturers of sugar. It was the duty of the House to hear what the sugar manufacturers have got to say, and then come to a conclusion how far the policy which the House is going to adopt in the interest of the public is compatible with the claims put forward by the manufacturers of sugar.

As regards the general policy, I take it there is no question. The development of the sugar industry in the last four years has been a most remarkable phenomenon, and I for one rejoice at the great development that has taken place within such a short time. It almost looks as if this country may become entirely self-contained and self-sufficient so far as the supply of sugar is concerned, within a very short time indeed; that is to say, if

things pursue their normal course and if those who are carrying on the industry prove their efficiency of management and can refrain from unfair competition with each other.

So far as protection is concerned, as I have been able to follow the speech of the Honourable the Finance Member, who has put forward this Bill, he does not intend to reduce that protection in any way and Rs. 7-12-0, as proposed by the Tariff Board, will remain. The proposal that he has made and which has been so seriously objected to on behalf of the industry in this country is the excise duty of Rs. 1-5-0. As I have been able to follow the case of Government, they say that, owing to the protective and the high revenue duties, the revenue from import duty has seriously declined. The revenue derived from the import duty in 1930-31 was, I believe, something to the extent of ten crores. And now the Honourable the Finance Member has been able to budget only for two crores for 1934-35. I know those figures have been disputed by my Honourable friend, Mr. Morgan, but that is a matter of calculation and drawing the right inference from the trend of the trade within the last four or five years; and I think it is a matter which can only be settled by the Select Committee. But there can be no doubt, and nobody denies it, that there has been a very substantial decline in Government's revenue since the development of this industry in the last four years, and of course the Government would naturally look to some source for supplying this deficit. Their proposal is that in order to compensate for this decline in the revenue of Government owing to the rapid development of the sugar industry in the country under the shelter of a high tariff wall, it is fair and equitable that an excise duty should be levied of the amount proposed. As I have said, my Honourable friend, Mr. Morgan, has questioned the figures of the Honourable the Finance Member. He is not satisfied that the decline in the revenue will be so much as Sir George Schuster puts it. He is inclined to suggest that for 1934-35 Government may very well look forward to four crores instead of two crores, —if I followed my Honourable friend correctly. That is a matter for the Select Committee to decide, but, anyway, even if my Honourable friend, Mr. Morgan, is correct to some extent in disputing the accuracy of the figures of Government, even then there will have been a very substantial decline. We who represent the public of this country will only rejoice if the industry established in this country supplies the entire demand of the country. In that case, Government will be faced with the total disappearance of revenue from import duties.

It has been asked, supposing that happens, have Government no other remedy? I think it was suggested that Government might resort to direct taxation, and the revenue that would be derived from increased income-tax and otherwise will make up the loss that the Government revenues may suffer through decline in foreign imports. Now, Sir, I do not think those Honourable Members who make suggestions of that sort have been able to satisfy the House that it will be possible for Government to make up for this loss of revenue by increased income-tax. My Honourable friend, Haji Abdoola Haroon, has asked Government,—in fact challenged Government,—to give figures showing how much increased income-tax has been paid by these sugar concerns. I daresay, they will be supplied to the Select Committee. That, again, is a matter which can only be gone into by the Select Committee.

At present it seems to me that what we are concerned with is to see whether on general principles this imposition of excise duty is justifiable on the part of Government or not. It seems to me that when an industry

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like this rises up under protection and the result of it naturally is that the general tax-payer has had to make enormous sacrifices in order to secure protection, it is only reasonable to expect that, when the industry prospers, it should be called upon and it is its duty to make a fair contribution to the general exchequer. I think that is a general proposition which cannot be disputed by any one. We have heard a great deal of argument as regards the enormous profits that the sugar industry has been making. The sugar manufacturers, who are represented in this House, and their friends and advocates have disputed the fact that the industry has been making such large profits. I happened to look into one of the representations that was made by, I believe, a fairly big concern in the United Provinces—the Saraswati Mill. Their claim seems to be that at least 15 per cent, after meeting all the charges, depreciation, interest on capital, and all that, should be allowed as dividend to the sugar industry. It is not disputed that the old established industries have been making very large profits, 100 and perhaps 200 per cent in some cases, and their shares have gone up. So far as we are concerned,—so far at least as I am concerned,—I do not think that is a matter which need disturb us at all. The only question is that if the factories have been making such large profits under protection, we the general public that have been making such large sacrifices should be entitled to call upon them to share in the sacrifices that we have been making. I know these factories and companies, which are business concerns, are out to make as much profit as they can. It is natural, and I do not think there is really any business house that will be inclined to accept any counsel of moderation in that respect from outsiders, whether the Government of India or anybody else. I do not think that is an advice likely to be accepted. But while that is a natural attitude on their part, the natural attitude on the part of others like us, who are not specially interested in this industry or any other industry, is that we have got to reconcile the two interests, their interests and of the public, as far as possible, and that is really a task which faces this House in a matter of this sort. It is not a very easy matter to come to a conclusion upon. In this House special interests are specially represented under the Constitution; they are represented not only in person, but also through agents. We have got to bear that in mind. That is the Constitution; and, therefore, it is certainly expected that they would put forward the case as strongly as they can, and that case has to be carefully examined to see how far it is justified.

My Honourable friend, the Finance Member, raised some very interesting general questions as regards certain trends of the policy of protection. He used rather strong language in describing what the reactions might be, if care was not taken, on the industries themselves and on the public. It is perfectly true, and nobody can deny it, that if the industries are not able to manage their concerns with that efficiency which is expected of all industries now-a-days in the world, when there is competition among the different countries all over the world, if they are too greedy, and, therefore, invite competition to an unusual extent, if they are unable to come to some arrangement among themselves in order to regulate the output, in that case, I am afraid, what my Honourable friend, the Finance Member, has told us may come to pass. We are just beginning:

to have large-scale industries in this country, capitalised and managed by Indians and also others in certain classes of commodities. So far as the sugar industry is concerned, there ought not to be much difficulty in the way of those engaged in it, because, after all, this is an industry which does not require any specialised technical skill such as other industries may require; and we know, as a matter of fact, there is at present a lack of adequate skilled labour in the country. The processes, so far as I know, are perfectly simple. Labour is very cheap and it is not at all technical as I have said. There is no lack of cane available in the country. The soil in many parts of India is particularly suited to the growing of cane, and, therefore, it ought not to be very difficult for enterprising business men like my friend, Seth Haji Abdoola Haroon, and others, to see that the entire want of India is supplied by indigenous industries. But they have to bear in mind, as has been pointed out in such forcible language, that even then they cannot ignore world competition. If that is borne in mind, there is no reason whatever why they should not go ahead and establish the industry on a firm footing. It seems to me, the crux of the matter in these cases is what should be the criterion which the Select Committee should adopt in fixing the rate of excise duty, in arriving at which they have necessarily to take into consideration how it will affect the industries which have already been established and the new factories that are being started. What profits, for instance, should be allowed for, whether profits should be allowed in addition to interest on capital, a claim the force of which I have not been able to grasp yet. If there are shareholders' companies, for instance, or if there are proprietary interests, and if you say they should be secured a return of six per cent as interest on capital, and, on the top of that, there should be secured to the concerns dividends or profits of another ten per cent or 15 per cent allowing for the working expenses and depreciation and also Reserve fund, it seems to me the position becomes ridiculous. Sir, people find it very difficult now-a-days to get even four or five per cent for their money, and I should think that the sugar companies themselves will realise or ought to realise that if they place their demands too high, it cannot be accepted by the public or Government, and, in their own interest, it is extremely inadvisable for them to put their demand so high as has been put.

Then, Sir, my friend, the Diwan Bahadur, who, I find is not here at present, very eloquently pleaded the case of the new companies. He said that a number of new companies, not only in his Province of Madras, but also in my Province of Bengal, have been started, and this excise duty would mean that many of them may have to be closed down, because they will not be able to pay their way or make anything out of the business. Sir, I have not been quite able to follow his reasoning. I take it that in any business or in any profession, when a new competitor enters the field, he generally finds himself very seriously handicapped. Take my own profession of law. We know what hard struggle every junior barrister or pleader has to go through. Take the case of medicine; it is just the same there. In any industry, therefore, I suppose a new competitor has got to go through a certain amount of difficulties. He cannot expect to make the same profits so easily as the older established companies with their established reputation behind them make. But, Sir, if there is anything in the proposal that this duty will unfairly hamper

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the new concerns; then I take it that is a matter which can be very well threshed out in the Select Committee. I have not been able to follow the case very clearly of the new companies at this stage.

I have dealt so far with the case of the factory produced sugar. Now, we have got to deal with the case of what are called *khandsaris*. These, I understand, are small concerns,—I do not know whether they employ steam power or not, but if they do employ steam or electric power, they employ it on a small scale. The limit that has been laid down in the Bill applies to concerns which employ 20 men or more, that is, the factories; those concerns which employ less than 20 men do not come under the purview of this measure. The Finance Member said that it would be for the Select Committee to consider whether the *khandsaris*, who produce white sugar on a small scale, should not also be asked to pay the excise duty. I could not gather from the speech of my friend opposite or from the speeches of the Honourable Members who have spoken so fully on the subject on this side of the House whether these concerns, called *khandsaris*, supply any particular class of people with sugar of an inferior quality at a lesser price, that is to say, whether they cater for the poorer people while the factories cater only for the more well-to-do classes

An Honourable Member: That is correct.

Sir Abdur Rahim: Well, if that is correct, as I am told it is, in that case I am not so sure that it would be in the public interest to impose the same sort of excise duty on these people, because, after all, sugar is a necessity of life as much as salt is, and I do not see why the poorer classes should be deprived of their sugar, or their supplies of sugar should be curtailed to any substantial extent. There may also be administrative difficulties in bringing in the *khandsaris* within the purview of the law, as these are small concerns run by less than 20 labourers, it will not only be a great hardship on them to comply with all the requisitions of the law, but it will be very difficult for the Government to see that the Act is properly administered in their case, and it may lead to a cost out of proportion to what the Government may expect to realise from these small concerns.

Now, there is another proposal of the Government in connection with this measure which requires consideration at this stage, and that is fixing the price of cane or rather giving the Local Governments authority to fix the price of cane. That will only apply in the case of factories buying cane. I understand, Sir, from the representations received that the factories consume about ten per cent of the sugar-cane grown in the country. If that be so, there may be a difficulty in seeing that the cultivators do really benefit by this measure. I entirely agree with the Government that the cane growers must be protected as far as possible. Every precaution ought to be taken to see that those poor men who cultivate the cane and who have perhaps no other means of earning their livelihood are not compelled to sell their produce to the nearest factory at whatever price they can get. They ought to be assured of a reasonable living wage, so far, therefore, as policy is concerned, I am entirely in agreement with the Government in this respect, but I do think the rules and regulations by

which this obligation is to be enforced on the factories have to be very carefully thought out. There is on the one hand a great danger of the regulations being made too oppressive for the owners of the factories; on the other hand, it may be possible for the factories to evade such regulations without much difficulty, because, as I have said, the factories consume only ten per cent of the cane grown in the country. Therefore, 90 per cent of their cane the cane growers will have to sell to outsiders and the price in these cases cannot be regulated and will not be regulated. But, Sir, so far as the principle is concerned, I am entirely at one, as I have said, with the Government, and I believe further the time has been reached when we ought to extend the principle to other commodities as well. I am specially thinking just now of jute in my Province. I believe the jute manufacturers in my Province themselves have now realised the necessity of giving a fair price to the cultivator of jute. My Honourable friend, Mr. Morgan, knows very well that there is considerable dissatisfaction in the Province as regards the way the jute growers have suffered. In a case like that, it ought to be possible for the Local Government or the Government of India, whoever is in charge of it, to fix a suitable price, and I may say that in the case of jute it would be much easier to do this than in the case of sugar-cane.

Sir, as a last thing I feel compelled to make one general observation. It does seem to me that matters of this sort cannot be usefully determined in this House unless there has been a very sifting and reliable enquiry into the subject beforehand. The Tariff Board has made an enquiry and the protective duties have been fixed in accordance with that enquiry. But we know in another connection, for instance, that the findings of the Tariff Board have not been accepted by the different parties. I suggest to the Government very strongly that they ought to see that the Tariff Board's enquiries are so conducted, and, if necessary, their personnel so selected, as to command the highest confidence in the country. Their status ought to be as high as you can make it, say, the status of High Court Judges. They must be men in whose judgment, and, above all, in whose impartiality the public will have the most implicit confidence. If that is secured, and if, in every case, there is a sifting enquiry, in conducting which the Board is fully authorised to call for all the documents and information that may throw light on the subject, then in that case I feel that our task would be considerably lightened. As I have been listening to the debate since yesterday, I admit freely that I have felt extremely uncomfortable—not only during this debate, but during the debate on some other similar occasion. This House, which represents the whole of India and the interests of 350 millions, should not be turned into an exchange mart. We should see to it that the larger interests of the public are kept constantly before us, that we do not have unseemly wrangles between different parties differently interested. That is only possible if there is a responsible body to assist the Government and whose voice will command the utmost confidence of the public and that we in this House, who are not interested in any particular industry or concern, should have materials before us upon which we can rely implicitly and say this is the right course for the Government to adopt.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): A great deal has been said on this question during the last few days, in fact, during the last few weeks, from the point of view of the industrialists and agriculturists, from the point of view of the general public.

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from the point of view of doctors, philosophers and mathematicians and others, but I shall try to look at the question from the point of view of the general public among whom the agriculturists come first.

An Honourable Member: Lawyer!

Mr. Jagan Nath Aggarwal: The lawyer has no interest in it or that is absolutely infinitesimal. It is from that point of view of the general public that I wish to examine this question. It seems to have been taken for granted that protection was granted to this industry as if in a fit of absent-mindedness by the Assembly. It seems to have been assumed that a group of capitalists, financiers like my Honourable friend, Seth Haji Abdoola Haroon, or my Honourable friend, Lala Hari Raj Swarup, and others, got the ear of the Government of India and got them to pass the Sugar (Protection) Bill of 1932, and, as a downright capitalist measure, that Bill was placed on the Statute-book in the interests of a certain minority of the people of this country, and, having got up from our slumber after two years with the help of mathematicians and doctors and philosophers, we have discovered

An Honourable Member: And lawyers!

Mr. Jagan Nath Aggarwal: The lawyer does not come into the show—having got up from our slumber and having discovered that we have made a mistake we are trying to rectify it. If it were so, I should have been the first to admit it

Dr. Ziauddin Ahmad: The mistake was the surcharge of 25 per cent.

Mr. Jagan Nath Aggarwal: It is a calamity, and not merely a mistake
 1 P.M. that there was this surcharge of 25 per cent. My Honourable friend, the learned Doctor, should have gone on his knees before the Finance Member and begged that it ought to be taken off all round. But what is the point in my Honourable friend tinkering with this 25 per cent surcharge only with regard to sugar? I wish to examine the question, Sir, how it was that protection was granted to the sugar industry? Was it in the interests of the small body of sugar refiners and manufacturers, or was it in the interests of the general body of the people of India and the agriculturists of this country? If, Sir, it was in the general interest, including that of the agriculturists, has that interest been satisfied now, or is it because only a few people have been left to make money out of it that we are now changing our attitude? If not, either it is the result of ignorance or of perversity that we are going now to change horses in mid-stream.

The House will permit me to take their memory back a few years and remind them that after the Great War India found herself in the position that she had to depend for her white sugar upon supplies from outside. There were considerable difficulties during the War in ensuring that supply, and it was considered to be a measure of national importance that India should be self-sufficient in the matter of sugar. Was it because of the War when we found it difficult to ensure that supply because of

the difficulty in the command of the sea, or was it a sentimental pleasure that we wanted to see India self-sufficient, or was it our economic necessity? I wish to subject that matter to some analysis. If it was only a question that during the War we were in difficulties, we might just pass over it; wars are few and far between, and it may be a matter of a decade or two when that kind of contingency will arise, and if it was a sentimental pleasure, perhaps we may give the go by to that also or perhaps like my friend, Diwan Bahadur Ramaswami Mudaliar, who says it is a sentimental pleasure, perhaps we may indulge in it to a certain extent, but I submit that it was in the national interest that the Government of India felt that we should be self-sufficient in the matter of sugar. I wish to inform the House even at this late hour why that need was felt. In the year 1919, the Government of India appointed a Sugar Committee with a view to devising means to suggest remedies and to see if India could not develop her cane production and secure the improvement of her cane as a means for making herself self-sufficient in the matter of sugar. Mr. McKenna of the Government of India was placed on special duty as President. A valuable report was produced which we had a look at the other day from the Library and it pains me to say that from 1920, for ten years it was pigeon-holed. The House need hardly be reminded that sugar-cane is, so to say, a native of this soil. The cane from which we produce all the sugar originally started from this country. In fact we have been told that the word "*kand*" and "*sharkara*" are natives of this soil, and they have travelled into foreign lands in the form of words like sucrose, kand, candy, and so on, and it was felt that we have here the raw material of this industry in the sugar-cane. We have a very valuable market for the consumption of the finished article and we have cheap labour, and what is more, we are engaged practically in converting this raw material into the finished product by absolutely out of date methods, and, therefore, it was felt that if we could improve our methods of manufacture, if we could utilise the raw produce, it would be all to the good. In fact, one might as well point out that sugar cultivation plays an important part in the agricultural economy of this country, and that is the point that I wish to emphasize, because this crop is ready at a time when the agriculturist is not employed; in the interval during the period of the sowing of the principal crop and the ripening of that crop when the agriculturist is only looking on, this crop affords him valuable employment. What is more, this crop can very soon be converted into money at a time when he has to pay the revenue of the Government. The produce of this crop comes in very handy in cash. There are various other advantages which the Committee had in view. One of them was that the cultivation of sugar leads to a much better outturn of other crops in rotation, either due to the use of manures or due to better aeration, or, as a result of the deeper cultivation, it is a much greater advantage to the agriculturist to have another crop in rotation on a sugar-cane field, so that from these various points of view it was felt that it was all to the advantage of the agriculturist. Now, Sir, what was the situation which we found at the time of the Sugar Committee and a few years afterwards. A million tons of sugar were imported from outside. It brought in a very handy revenue to our Chancellor of the Exchequer and it brought in in the year 1930 or 1931 something like ten crores of rupees, but there is no use in crying over spilt milk. When the Finance Member was a party to the passing of that Bill, he very clearly visualised a situation when this handsome

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revenue will disappear, and, if that time has come too early, the fundamental conditions have not changed, the fundamental conditions being that it is in the interest of the general public in India and to the interest of the agriculturist that this cane crop should be utilised in making the best kind of sugar out of it, that all the cane crop that can be grown should be taken up and that the agriculturist should get sufficient for his labour and sufficient for his crops during the slack season of his agriculture. Those conditions have not changed.

When, in response to an inquiry from the Council of Agricultural Research, this matter went to the Tariff Board, and the Tariff Board presented a very valuable report some time in 1930 when only 29 sugar producing factories were in operation in this country. Now, the details of these recommendations and various matters connected with this report have been furnished to this House in some detail, and I have no desire to travel over the same ground again, but what I wish to point out is that, before action could be taken on the report of the Tariff Board, the tariff situation in this country was that in 1931 we had raised the customs duty on sugar to Rs. 7-4-0 per cwt., and, by the supplementary Finance Act of 1931, we raised 25 per cent surcharge on these duties. This was done as a purely revenue measure. The House will remember that we began as a revenue measure of 7-4-0 plus 25 per cent surcharge, bringing the figure to 9-1-0 per cwt. as a purely revenue measure. It was six months afterwards that the House considered the Sugar (Protection) Bill and passed it, so that it adopted the existing scale of duties at the time and granted protection for seven years up to 1938 at the rate of 7-4-0 and on inquiry thereafter up to the year 1946. What has been the position since? The Tariff Board visualized that, in the course of seven years, or in the course of 15 years, we will be able to supply all the sugar we want and that the growth of factories will be gradual in the sense that it will take about ten years or so before we could supply all the sugar we wanted. If the Tariff Board proposals had been put in operation as they themselves visualized then, possibly the progress would have been steady, but, due to mistake, mischance, or, I might say, misfortune, we had at that time a duty of 9-1-0 instead of 7-4-0. My friend, the learned Doctor, may quarrel and say this is bad arithmetic or this was merely a chance, but then the world must take things as they come. The Sugar (Protection) Bill ensured to the sugar manufacturer a continuance of 7-4-0 for seven years, but he actually found that he had in operation before the Sugar Bill came into force a duty of 9-1-0. Is he to take the word in the Bill or is he to take the conditions as they existed? He chose to trust to the conditions as they existed, and trusting to the conditions as they existed and to the declared intentions of the Government of India and of this House that the fostering of industries in the national interest is the paramount duty of this Government, the sugar manufacturers turned to it at a time of acute depression to this country. That the progress has been rapid and very rapid indeed, the following figures will show.

At the time when the Tariff Board undertook their inquiries, as I have said, the number of factories for producing sugar was 29. In the next year, it was 34. In the year 1932-33, we had 57, and, in the year, 1933-34, the present year, we are having 137. It is 77 factories in a year. The growth was remarkable because of the fact that although we had guaranteed only protection as the Tariff Board recommended at the rate of 7-4-0, the

existing conditions were, in the words of the Honourable the Finance Member, such as to give an extraordinary stimulus for the growth of this industry. The result was that the progress of a decade was achieved within two years. If this was a matter of national concern, the growth of these factories, for the general welfare of the agriculturist and the general public and of the industrial enterprise of this country, it should have filled the heart of every person interested in the national concerns of this country with pleasure. The Tariff Board, I am sure, would have been happy to feel that the progress which they visualised would take place in a decade had taken place in two years. The Commerce Member, who piloted that Bill in this Assembly, would have felt happy, in fact Sir George Rainy might have felt happy that what he had visualised would take place slowly did in fact take place in a few years, and, what is more, that the starting of these factories has afforded occupation to thousands of people—agricultural labourers, mechanics, chemists, engineers and others which was all to be welcomed. Judging it from that standard, the Honourable the Finance Member might well pardon these factory owners if they think there has been a breach of faith with them. Of course technically one might say there is no breach of faith. So far as things go technically, in the sense that the Honourable the Finance Member having passed this Bill in 1932 was careful enough to utter a warning in 1933 and is levying the duty only in the year 1934. But, Sir, if you put yourself in the position of those people who were told that it was in the national interest that these factories should grow up, that the interests of the agriculturist and of the general public would be served by the growth of these white sugar factories, then I do not see how anybody can deny that they are being treated roughly, unfairly and in a different manner from any other concerns in this country.

Sir, I wish to take up one or two matters to which the Honourable the Finance Member drew the attention of this House. The first was that the sugar concerns reaped profits in the appreciation of the capital value of their shares and in dividends the like of which this country had never seen. Now, Sir, the Honourable the Finance Member took one sugar concern, and this I have with some little difficulty traced in the Bombay market—the Belapur sugar concern—as being a concern whose shares were previously selling, or rather it was a case where some unfortunate owner was out to sell his shares, at Rs. 2-8-0 per share and who finds at this time that his shares are valued at Rs. 186 per share. Granting that this was so, I wish to place these figures before the House. Does that show an extraordinary state of affairs? This is the quotation which I read from the *Capital*, dated the 29th March:

“Under the Miscellaneous section of the Bombay market this Belapur sugar company is supposed to have a paid-up capital of 18 lakhs, a reserve of 23 lakhs, a block account of 29 lakhs, and a share of Rs. 50 paid-up”

—a share of Rs. 50 which is now quoted at Rs. 186, i.e., a little more than three and a half times.

Now, I wish to present to the House a number of concerns whose shares have risen more than ten times; and if the appreciation of share values is any test, my friends from Bombay and other places, if that principle is applied to half of them, will find it hard to stand that test.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): There are heaps of shares whose values are reduced.

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revenue will disappear, and, if that time has come too early, the fundamental conditions have not changed, the fundamental conditions being that it is in the interest of the general public in India and to the interest of the agriculturist that this cane crop should be utilised in making the best kind of sugar out of it, that all the cane crop that can be grown should be taken up and that the agriculturist should get sufficient for his labour and sufficient for his crops during the slack season of his agriculture. These conditions have not changed.

Then, in response to an inquiry from the Council of Agricultural Research, this matter went to the Tariff Board, and the Tariff Board presented a very valuable report some time in 1930 when only 29 sugar producing factories were in operation in this country. Now, the details of these recommendations and various matters connected with this report have been furnished to this House in some detail, and I have no desire to travel over the same ground again, but what I wish to point out is that, before action could be taken on the report of the Tariff Board, the tariff situation in this country was that in 1931 we had raised the customs duty on sugar to Rs. 7-4-0 per cwt., and, by the supplementary Finance Act of 1931, we raised 25 per cent surcharge on these duties. This was done as a purely revenue measure. The House will remember that we began as a revenue measure of 7-4-0 plus 25 per cent surcharge, bringing the figure to 9-1-0 per cwt. as a purely revenue measure. It was six months afterwards that the House considered the Sugar (Protection) Bill and passed it, so that it adopted the existing scale of duties at the time and granted protection for seven years up to 1938 at the rate of 7-4-0 and on inquiry thereafter up to the year 1946. What has been the position since? The Tariff Board visualized that, in the course of seven years, or in the course of 15 years, we will be able to supply all the sugar we want and that the growth of factories will be gradual in the sense that it will take about ten years or so before we could supply all the sugar we wanted. If the Tariff Board proposals had been put in operation as they themselves visualized then, possibly the progress would have been steady, but, due to mistake, mischance, or, I might say, misfortune, we had at that time a duty of 9-1-0 instead of 7-4-0. My friend, the learned Doctor, may quarrel and say this is bad arithmetic or this was merely a chance, but then the world must take things as they come. The Sugar (Protection) Bill ensured to the sugar manufacturer a continuance of 7-4-0 for seven years, but he actually found that he had in operation before the Sugar Bill came into force a duty of 9-1-0. Is he to take the word in the Bill or is he to take the conditions as they existed? He chose to trust to the conditions as they existed, and trusting to the conditions as they existed and to the declared intentions of the Government of India and of this House that the fostering of industries in the national interest is the paramount duty of this Government, the sugar manufacturers turned to it at a time of acute depression to this country. That the progress has been rapid and very rapid indeed, the following figures will show.

At the time when the Tariff Board undertook their inquiries, as I have said, the number of factories for producing sugar was 29. In the next year, it was 34. In the year 1932-33, we had 57, and, in the year, 1933-34, the present year, we are having 137. It is 77 factories in a year. The growth was remarkable because of the fact that although we had guaranteed only protection as the Tariff Board recommended at the rate of 7-4-0, the

existing conditions were, in the words of the Honourable the Finance Member, such as to give an extraordinary stimulus for the growth of this industry. The result was that the progress of a decade was achieved within two years. If this was a matter of national concern, the growth of these factories, for the general welfare of the agriculturist and the general public and of the industrial enterprise of this country, it should have filled the heart of every person interested in the national concerns of this country with pleasure. The Tariff Board, I am sure, would have been happy to feel that the progress which they visualised would take place in a decade had taken place in two years. The Commerce Member, who piloted that Bill in this Assembly, would have felt happy, in fact Sir George Rainy might have felt happy that what he had visualised would take place slowly did in fact take place in a few years, and, what is more, that the starting of these factories has afforded occupation to thousands of people—agricultural labourers, mechanics, chemists, engineers and others which was all to be welcomed. Judging it from that standard, the Honourable the Finance Member might well pardon these factory owners if they think there has been a breach of faith with them. Of course technically one might say there is no breach of faith. So far as things go technically, in the sense that the Honourable the Finance Member having passed this Bill in 1932 was careful enough to utter a warning in 1933 and is levying the duty only in the year 1934. But, Sir, if you put yourself in the position of those people who were told that it was in the national interest that these factories should grow up, that the interests of the agriculturist and of the general public would be served by the growth of these white sugar factories, then I do not see how anybody can deny that they are being treated roughly, unfairly and in a different manner from any other concerns in this country.

Sir, I wish to take up one or two matters to which the Honourable the Finance Member drew the attention of this House. The first was that the sugar concerns reaped profits in the appreciation of the capital value of their shares and in dividends the like of which this country had never seen. Now, Sir, the Honourable the Finance Member took one sugar concern, and this I have with some little difficulty traced in the Bombay market—the Belapur sugar concern—as being a concern whose shares were previously selling, or rather it was a case where some unfortunate owner was out to sell his shares, at Rs. 2-8-0 per share and who finds at this time that his shares are valued at Rs. 186 per share. Granting that this was so, I wish to place these figures before the House. Does that show an extraordinary state of affairs? This is the quotation which I read from the *Capital*, dated the 29th March:

“Under the Miscellaneous section of the Bombay market this Belapur sugar company is supposed to have a paid-up capital of 18 lakhs, a reserve of 23 lakhs, a block account of 29 lakhs, and a share of Rs. 50 paid-up”

—a share of Rs. 50 which is now quoted at Rs. 186, i.e., a little more than three and a half times.

Now, I wish to present to the House a number of concerns whose shares have risen more than ten times; and if the appreciation of share values is any test, my friends from Bombay and other places, if that principle is applied to half of them, will find it hard to stand that test.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): There are heaps of shares whose values are reduced.

Mr. Jagan Nath Aggarwal: Unfortunately I am not an archaeological scholar, and I do not know the ancient history of these concerns. A Rs. 50 share has a present value of Rs. 186; profit and loss carried forward, Rs. 27,000; year 1929, no dividend; year 1930, no dividend; year 1931, six per cent; year 1932, $12\frac{1}{2}$ per cent; year 1933, 18 per cent. Now, there is nothing to shock the conscience, because one finds on this very page various concerns of which I shall mention a few.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member will resume his speech after lunch.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. Deputy President (Mr. Abdul Matin Chaudhury) in the Chair.

Mr. Jagan Nath Aggarwal: When the House rose for lunch, I was drawing your attention, Sir, to the fact that whereas the shares of the Belapore Sugar Works were standing at 186, the original price being Rs. 100, there are various other concerns where the appreciation and the dividends have been much higher. I just turn a page and I find that the shares of a concern known as the Bengal Paper Mills worth Rs. 25 stand at Rs. 71. The dividend has been from 1928 onwards Rs. $17\frac{1}{2}$ per cent and, from 1929, 20 per cent all along. Then, in the case of the Titagarh Paper Mills, a share of $2\frac{1}{2}$ stands at very nearly 16, more than six times and a share of one stands at $6\frac{1}{2}$. The dividends have been from 1928 onwards 25 per cent, 40 per cent, 35 per cent, 35 per cent, 45 per cent, and $22\frac{1}{2}$ per cent interim. Now, Sir, I have particularly drawn the attention of the House to these paper mills and my friend, Mr. Joshi, would be very much interested in this matter, because paper is a concern to which this House has granted protection. Has anybody ever turned his attention to the subject that here are these mills which are making profits and whether they should be allowed to do it? Has anybody's conscience been stirred that this is unconscionable or has the grasping hand of the Honourable the Finance Member turned in that direction? I say it is all to the good that these concerns are making profits.

Mr. N. M. Joshi (Nominated Non-Official): There is not much revenue in it.

Mr. Jagan Nath Aggarwal: Why not? You can leave 10 or 15 per cent profit and take the rest with your socialistic instincts. That is not very extraordinary. But you are up to taking over even the whole mill. But you are incompetent to manage them. This is one point. Then, Sir, I need hardly point out that the shares of various Banks stand at three times their value. The share of the Imperial Bank, valued at Rs. 500, now stands at Rs. 1,250; a share of Rs. 100 Allahabad Bank now stands at Rs. 360. And, what is more, I wish to invite the attention of the House to the various Jute Mill shares where it is not uncommon to see the value gone up by three times.

I just turn the page of jute mill shares. I find that a share of Rs. 100 stands at Rs. 327. In another concern, a share of Rs. 100 stands at Rs. 377½, and, in another concern, the share of Rs. 100 stands at Rs. 398. A share of Rs. 100 stands at Rs. 506 in the case of the Caledonian. A share of Rs. 300 stands at Rs. 865 in the case of Gandopara, and so on. So far, then, as the charge of profiteering is concerned, it is clear that this industry has not made either extraordinary profits nor has it enjoyed that extraordinary appreciation of shares which some of my friends on this side of the House seem to imagine that these concerns have. As a matter of fact, it is only a matter of three years that this favourable state of circumstances has arisen and some of the concerns are barely on their feet. They have enjoyed one working season. Others are in their first working season, and it would be strange indeed if, during this short interval, there had been any very great appreciation of shares all round. It is quite true, as has been pointed out, that in the case of some concerns which were lucky enough to have been in the field at the time when protection was granted there has been appreciation; but that is an accidental circumstance. If a concern came into existence eight years before this House thought of giving protection and it enjoys the benefit of that protection, you cannot take much credit for that. It has been there already, and it has taken the chance of being there just as it might have faced adverse conditions if protection had not been given to it. We were told that the Basti Sugar Mills had their shares standing well over Rs. 200. That is perfectly correct. But does the House know that the shares were standing at Rs. 270 at the end of the last working season? They are now standing at Rs. 207 or even Rs. 200. Does the House know that the Punjab sugar shares which stood at Rs. 330 last summer (say June) are now standing at Rs. 230 with hardly any buyers? Further, that the shares of the Nawabganj Sugar Factory which were quoted at Rs. 1,000 are now standing at Rs. 750. The shares of the Jagatjit Mills which stood at Rs. 810 are now available for Rs. 700. The share of a newly started concern—and there are about a dozen of them—will not be looked at in the market.

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadan Rural): Why so?

Mr. Jagan Nath Aggarwal: Because of the *blighting* effect of this contemplated duty and because of internal competition. If I may be pardoned for mentioning it, that is the reason why my friend, Mr. Anklesaria, and his friends in Bombay have not looked at this proposition, because it is not yielding high dividends. It is the agriculturist Provinces like the Punjab and the United Provinces that have turned to the utilisation of the agricultural produce. It is not a profiteering concern, and that is why my friend does not care for it.

Now, Sir, it was pointed out that these people have no justification for calling this a breach of faith. It was rather an unkind remark from the Government of India and especially from a British financier in charge of the finances of the Government of India. The House gave protection in the year 1932 and we find that the Exchequer profited considerably during these two years by the import of machinery over which, against the wishes of this House, an import duty of ten per cent was levied.

Now, we find that in the year 1932-33, Rs. 91,48,000 was the value of sugar machinery imported into this country. In the year 1933-34, it was Rs. 1,66,89,000. This is the value of the machinery which the

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public has paid for and on which a handsome duty has been levied, and it would be interesting to note that the majority of plants ordered were British. I find that out of 27 plants ordered in 1932-33, fourteen were British, and, out of 47 ordered in 1933-34, twenty-seven were British. It does look a bit unkind to feel that after having all these crores invested in machinery and after having given the Government in the way of duty these huge sums, the very next year when these industries are struggling on their feet, you have this excise duty threatening them in the face. One might almost at this stage try to look at the proposition from another point of view. The House must remember that protection has been granted not only to white sugar, crystallised sugar, but to the sugar industry including therein *gur* and molasses. The House will remember, the whole point of this Sugar Act was that the interest of the cane grower should in all phases be protected. Protection, therefore, extends to the import of *gur* and to the import of molasses and to the import of sugar, and the point underlying it was, in the words of the Tariff Board, that the predominant industry of this country, agriculture, should be protected. For this I crave the indulgence of the House to read one or two extracts from the report of the Tariff Board of 1931. At page 89, the report says:

"We desire to emphasise that the strongest aspect of the case for protection is that based upon national importance of promoting the cultivation of sugarcane. It is of the utmost importance that the area under cane should not diminish and the real problem before us is to provide an outlet for the larger quantities of cane which may be expected from the introduction of improved varieties."

I need hardly pause to point out that one of the chief problems before the Government and the people has been that our variety of cane should improve and also the yield from every acre of land and for that purpose the Coimbatore Research station has done a good deal of work on this question. With the improved variety of cane, the yield of cane will increase, and, therefore, we should not allow any diminution in the area of cane which existed at the time when the Tariff Board examined this question. Then, the Tariff Board report says:

"The price of most staple crops in India depends on world causes since the home market is not sufficient to absorb the total production. But in the case of sugarcane the position is different. The imports of white sugar into India amount to nearly one million tons. There is thus a market for a considerably increased production of cane in India provided that it can be made available for the manufacture of white sugar."

It is with that object that we designed that sugar industry be promoted so that it may absorb the extra cane in the sugar factories. The report proceeds:

"There is perhaps no other agricultural product of equal importance in regard to which Government has the power to afford substantial relief by ensuring that so far as possible the home market shall be reserved for the Indian agriculturist, so that however greatly he may be affected by world causes as regards his other crops, one source may remain from which he may hope to obtain the wherewithal to pay his rent and irrigation dues and provide those necessities of life for which cash payment is required."

Looking at it from the point of view of Provincial Governments, I am glad to find that there is no provincial jealousy here. The Tariff Board remark:

"Most of the local Governments stress the importance of cane cultivation in India not only from the point of view of the agricultural classes but also in connection with

the provincial Governments' financial commitments. In view of the record fall of jute prices, a crop which in the past has been the mainstay of the Bengal agriculturist, the maintenance or extension of sugarcane cultivation, which may to some extent provide an alleviation for the present depression, is a matter of great importance to that province. In Bombay also any large contraction of the cane area must seriously embarrass the Government. A very large sum of Government money (Rs. 9 crores) has been sunk in the construction of the Deccan irrigation canals. The revenue derived by way of irrigation dues is about Rs. 26 lakhs of which sugarcane pays over Rs. 10 lakhs."

This is with regard to the two Provinces of Bengal and Bombay which are at once in the promotion of sugar-cane, and, therefore, of sugar-cane industry. I need hardly refer to the Provinces of the U. P., and the Punjab which have the largest area of cane or of Bihar and Orissa. Now, Sir, the Tariff Board sum up in paragraph 32 their conclusions with regard to the importance of sugar-cane cultivation. On this subject they say :

"It will be useful here to summarize our conclusions regarding the importance of cane cultivation in the agricultural system of India. Sugarcane occupies a definite place in the crop rotation of this country which it would be difficult to fill if any considerable reduction in the area occurred."

—That is important from the agricultural point of view—

"Its cultivation is followed by increased yields of other crops sown in rotation with it, partly as a result of the residual effect of the manure used in cane cultivation but largely also on account of the thorough stirring up and aeration of the soil which is a feature of the intensive cultivation required if heavy crops are to be obtained. It is also of great importance as a source of cattle fodder at a time when the supply of grass has begun to decline. At all times it occupies a prominent position in agricultural economy as being one of the few crops on which the cultivator relies to meet his cash requirements and at the present time, when the prices of other agricultural products have fallen to very low levels, the importance of maintaining the area under cane and its prices cannot be over-estimated."

Further on, the report says :

"Finally it is the one crop for which if it can be utilized for the manufacture of white sugar, the home market is more than sufficient. While it is beyond the power of Government to control the prices of other agricultural products, since these depend on world conditions, in the case of cane it is possible to ensure the maintenance of a reasonable price level by protecting the *gur* market against foreign competition and by providing an outlet for any surplus cane produced by the development of the white sugar industry."

Now, Sir, it has been sufficiently made clear to the House that the real question for the protection of sugar industry is the protection of cane growing and of *gur* manufacture, and, as a last resort, of white sugar production. If that is so, then my submission is that several of my Honourable friends on this side of the House have really missed the point when they talk of any conflict between the interests of the agriculturists and the interests of the white sugar producer. On this point, I am tempted to place another set of facts before the House, but I wish to preface them with one preliminary observation. As I have said, protection has been granted to the sugar-cane grower, and if he does not get full benefit of protection, I am all for the proposition, for any proposition which will ensure the full benefit of protection to him.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

It is primarily in his interests that protection has been granted and all measures designed for the purpose of giving to him or securing to him the full value for his produce will have my hearty support. It is a matter

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of regret that on that point the Sugar Committee of 1933 in July last did not yield any practicable result, but these two matters are, if I may say so, not connected, so to say, by means of this excise duty. You can have protection assured to the sugar-cane grower, and you may have your Bill and your enquiry if you like without bringing this odious excise duty on sugar. I may be pardoned for saying that my Honourable friend, the Finance Member, has thrown an apple of discord into this House by promising seven lakhs for promoting a Bill for ensuring the price of sugar-cane to the cultivator in this measure. I put it that the two things are entirely disconnected, and, by putting on an excise, you cannot promote the interests of the agriculturists. If I may put it the other way, supposing the excise leads to the closing down of the factories, does it mean that the cane grower will be benefited in any way? The factories may afford to be closed for a year, but the cane grower certainly cannot afford to indulge in the luxury of throwing away his produce. We must remember that cane is not cotton or wheat, and we cannot store cane for any length of time. After ten days lying in waggons or in the fields, cane becomes useless, and, therefore, one must get what price he can. But, as I said, there is no connection except perhaps for the purpose of passing this measure through the House, between the excise duty and the provision of seven lakhs for Local Governments for looking into this question of sugar-cane rates. That measure stands on its own feet, and I have every sympathy, and, I am sure, the House will have every sympathy with any measure that is designed to give the producer of the raw cane his due share in the protection, because it was in his interest that the protection has been designed.

Now, as I say, we are out to give full value and adequate value to the producer of cane. But are we doing it? We must know what this man does with his cane. By abusing the factory owner and by bringing in a measure to secure value to the producer of cane, we only touch the fringe of the subject. I will invite the attention of the House to this matter and to a chart which I find in this book of Mr. Gandhi at page 54; and the House will notice that in 1923-24, only 1.3 per cent of the cane grown in India was used in factories, 71.4 was used for the making of *gur* and the rest in other processes. And, coming down to the year 1932-33, I find that 6.6 per cent of the cane grown in this country was used in factories, 11 per cent in chewing processes and 69 per cent in *gur*. So that, we find that it is only a sixteenth of the cane produced that is used by these factories. The real problem is to see that the *gur* manufacturer gave good value to the agriculturist. The estimate for the present year is of ten per cent, that ten per cent will be used in the factories. I have grave doubts if that figure will be reached, because of the catastrophe in Bihar a good deal of the cane would have been wasted. To take the best of those figures, the utmost that has been absorbed will be anything between six to ten per cent and if we are going to secure to the cultivator the best value that he can get from the factories, we will be touching the problem only to the extent of six per cent. Well, Sir, I have no quarrel with any measure that may be designed to secure that purpose, but we have to see that the agriculturist gets his full value for his produce all over. And the difficulty is that for his *gur*, which also has been protected against Java, he does not go to anybody to sell it. As I reminded the House, this is the time

when he is unemployed and free; he crushes his cane, boils his juice and either makes *gur* of it or takes it to the neighbouring *khandsari* manufacturer and he makes sugar out of it. Nobody has ever suggested that we should fix the prices for the cane which he will be utilising in the manufacture of *gur* or for the juice which would be taken to the *khandsari* manufacturer. Therefore, this proposition, as I said, really does not touch the whole question.

Now, Sir, my Honourable friend, Dr. Ziauddin, with all his calculations and facts and figures, went into this question yesterday and reminded the House that we made a mistake in the year 1931 and that we were out to rectify that mistake. I should very much like to be told where the mistake lay. If the mistake lay in the levy of the surcharge, that had been levied before the Sugar (Protection) Bill was passed by this House. If the mistake lay in protection, nobody has suggested that protection should not have been given. Where was the mistake then? It was an emergency measure that we levied the surcharge and it is still there. If you want to rectify the mistake, I for one do not quarrel, because a surcharge of 25 per cent has been levied on customs, on income-tax, on super-tax and on every other thing, and we will be only too glad to have that surcharge removed. Well, Sir, that is the point which Dr. Ziauddin suggested which makes me think that the whole of this question has been looked at from a wrong point of view. Now, Sir, if the proposition was, as I have submitted to the House, that it is the protection of the agriculturist, of his cane, of his *gur*, of his molasses and of his sugar industry, in so far as it utilises the surplus of his cane for which we wish to see that not an inch of land is left unoccupied and not a single cane is left unused, then my point is that my Honourable friend, the Doctor, is mistaken.

Now, Sir, one proposition further we may examine. Who is it that pays for this white sugar? Upon whom as the consumer is this duty levied? My friends on this side seem to think that it is the poor agriculturist who is made to pay for it. It is a wholly mistaken idea. The agriculturist does nothing of the kind. He is far too shrewd a fellow to go near any white sugar made in the mills. He is content with his *gur*. He makes his own *gur* and sells it. Sugar is left to the town dwellers, well-to-do and middle class people to make and to buy.

(Interruption by Mr. B. Das.)

My friend, Mr. Das, says that he suffers from all diseases. May I remind the House that Mr. Das is a man without a Province and without a factory? It has been shown in the report of the Sugar Committee and the report of the Tariff Board that Orissa is a Province which is only fit for growing rice; it cannot grow sugar-cane, and I can very well understand why Mr. Das has no sympathy with this measure and this protection. He is incapable of grasping the full significance of this thing. But I was out to examine whether Mr. Das was one of the consumers of sugar and whether this duty of Rs. 9-1-0 per hundred-weight is in any way contributed by him. On this subject, the House will bear with me if I invite their attention to page 90 of the Tariff Board report. It says:

"As regards the incidence of the duty on the consumers of sugar the information before us does not entirely support the conclusion arrived at by the Taxation Committee. For it appears that the poorest, namely the agricultural classes, consume little sugar. Their requirements in this direction being met by *gur*, while even in the smaller towns *gur* is consumed to a very large extent. There are also indications that imported sugar is used largely by the well-to-do and middle classes, partly because these classes are in

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process of discarding the prejudice, which is to some extent sentimental, against the use of imported sugar and partly because they are in the habit of consuming tea, coffee and other beverages sweetened with sugar to a far greater extent than is the case with the poorer classes."

Well, Sir, if tea and coffee and sweet drinks are responsible for the consumption of white sugar, then the agriculturist is in no danger of paying anything for this duty:

"We have found, and on this opinion trade opinion supports us, that the price of white sugar is not the determining factor in the price of *gur* and throughout large portions of India the price of *gur* is practically independent of that of imported sugar and is regulated in the main by the character of the season and the output of cane. It appears, therefore, probable that the burden of the sugar tax falls to a greater extent on the well-to-do classes than the Taxation Committee supposed."

The opinion of the Bihar and Orissa Government was quoted to the House yesterday. I will now point out the opinion of the United Provinces Government. They say:

"It will be observed that, though estimates show considerable difference in various parts of the country, the conclusion can be substantiated that very little sugar is used in the agricultural areas (except those parts of the United Provinces where *khandsari* sugar is made) while in the towns the consumption of sugar exceeds largely that of *gur*. More than one officer expresses the opinion that sugar is mainly used by the well-to-do classes, the middle classes use about half sugar and half *gur* and the poorer classes in the main still use *gur*."

If one were to be guided by that consideration, the fears of the agriculturist are certainly allayed, because the agriculturist is in the happy position of being a man who has all to gain and nothing to lose by the well being of the sugar factories, because he makes *gur* for himself and sells his cane to the sugar factories which turn it into sugar and sell to the town people and make money: he has had his share of the money, because he gets good value for his cane. If that is so, the attack on the poor man's sugar is only to be found in the imagination of my learned friend, Dr. Ziauddin Ahmad, who unfortunately is not here now. Talking of the poor man's salt is all right: you cannot go on taxing it; but to talk of the poor man's sugar is meaningless: he has *gur* in place of sugar, and if you were to tax his *gur*, then you may talk of the poor man's *gur*. To the same effect one finds at page 92 of the Tariff Board's Report: quoting from the Punjab it says:

"In no case is sugar a part of the dietary. In the case of the two Jats, the landholding class, the daily consumption included 6·7 and 9·9 oz of *gur*, but no *gur* is included in the consumption of the three other families. . . . We believe we are justified in assuming therefore that the agriculturists, who are the poorest as well as the largest class in India, will incur very little if any additional expenditure as a result of the protective duty on sugar. On the other hand the gain which will accrue to agriculture from the extension of white sugar factories, the exclusion of foreign sugar and the prevention of the manufacture of imitation or adulterated *gur*, should far outweigh any disadvantage resulting from an increase in the price of imported sugar above the prevailing low levels. The duty will we believe be borne in the main by the urban population, but even here the incidence of taxation will be higher per head in the case of the well-to-do and middle classes.

This is the first occasion on which proposals for protection will be of direct advantage to the rural classes, both agriculturists and labourers, and there is therefore perhaps a rough justice about the proposals which should appeal to the unbiassed observer. . . . In the towns the incidence of the duty per head will be higher in the case of the richer and middle class consumers who are best able to bear it, while it is not unreasonable to expect that the urban population who have mainly benefited from the adoption of a policy of protection, should in turn be prepared to bear some burden for the benefit of the agricultural classes."

If that is so, then my submission to the House is that the proposition has to be looked at from the point of view that the incidence of this tax, so to say, affects the small class of people who are well able to look after their own interest. I wish to draw the attention of the House to the figures of the prices of sugar which have prevailed during the last few years. On this subject, it is a matter of satisfaction to know that the prices of sugar now prevailing are the lowest that we ever had. We find at page 61 of Mr. Gandhi's monograph, that the price which in 1923-24 was Rs. 18 a maund has been gradually coming down till it was Rs. 9 in 1929-30, Rs. 10-10-0 in 1932-33, and, in February, 1934,—I believe—Rs. 10-2-0 . .

An Honourable Member: This is Java sugar.

Mr. Jagan Nath Aggarwal: I find that the prices of indigenous sugar are lower by Rs. 1-12-0 to Rs. 2 due to internal competition. If that is so, then there is no comparison of the imported prices with those ruling inside the country, because the imported article has ceased to be a commodity which rules the prices of sugar inside the country. Due to internal competition, we are having sugar produced in the country selling at Rs. 2 a maund less than the imported product, and that, I submit, takes off a great deal of the objection of the cost of protection which has been granted by the Legislature.

I may also invite the attention of the House to one or two subjects. One is that the production of sugar in this country at the present moment, according to the most favourable calculations, is somewhere in the neighbourhood of 9,00,000 tons, something like what we would be consuming in a normal year; and the consumption of sugar from all sources is three times that much. The demand is satisfied by sugar produced by indigenous methods and by *gur* as I have said already. The question is, if it was a matter of paramount consideration to the Government to afford protection to white sugar industry, so that it might utilise the cane and give relief to the agriculturist, and we are going to levy this excise duty on the cane sugar produced in these factories, are we acting fairly by these newly started concerns? In other words, the amount of sugar produced by indigenous methods, some of which may be employing power and engaging labour, comes to a substantial figure of one-third of the amount, about 250,000 tons of sugar produced by *Khandsari* and other methods. It would work like this: sugar produced in these central factories or mills would be subjected to a duty of one rupee per maund, while sugar produced by these other methods will enjoy a protection to the extent of one rupee per maund. The result of it would be that the output of *khandsaris* or other sugar producing concerns will be considerably increased. Is that the intention of the Legislature, that we should go back to old methods? Is it the policy of the Legislature that we should go back to the old *khandsari* method and encourage the manufacture of sugar produced by old world methods, or is it our attempt to bring in the methods of producing sugar by the factory method? If not, I do not see any justification for not bringing in the production of sugar by the *khandsari* method into the tariff ring on which we are going to levy this excise duty.

At this stage I may try to remove one or two misapprehensions with regard to this *khandsari* system. It may be suggested that the *khandsari* system is a cottage industry and that the agriculturist's occupation should never be taxed, that the agriculturist is the man who grows his cane and any occupation, to which he can turn his leisure hours, should not be

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taxed. If that is so, if this was a cottage industry, I am fully prepared to give it all the protection we can, subject to one consideration to which I will presently refer. If *khandsari* production of sugar was a cottage industry of the agriculturist, by all means, I say, give it protection. But is it so? The facts and figures supplied by the Tariff Board, and the other documents we have, show that it is an industry of people in the Rohilkund Division of capitalists and others in the towns to whom the agriculturists bring their *rab*, and it is by a certain process of passing the cane juice through wood bushes stacked together and other things that they prepare their sugar. If that is so, I do not see any justification for excluding them from the scope of this measure. I further learn that they sometimes use oil mill machinery, and though these processes may be scattered about in several establishments, it is just possible that they may not have 20 men working in a place and they may escape coming under the purview of this measure on that account. If the development of the cane sugar industry is the chief concern of the Legislature, and if we want this industry to grow, if the growth of this industry was the chief concern of the Government in the year 1932, then what has happened in the year 1934 that the Government and the Legislature should go back upon the protection that has been granted to the industry? Is there any country in the world which grants protection to an industry and in a couple of years' time puts an excise duty on it? After all, you cannot go back upon your policy within so short a time by an indirect method. If *gur* was competing with this and we were imposing this excise duty in the interest of *gur*, then I could understand the position, but that is not the case. The consideration which we have to bear in mind before we grant protection to an industry is that the industry should produce a commodity of good quality and by economical methods. It is well-known that the *gur* that is produced by our agriculturists involves a waste of 33 per cent. to 50 per cent., and that is the reason why refineries which use *gur* as raw product are coming to grief. They are all being converted into sugar-cane crushing plants, and if the *gur* industry goes on, in which our agriculturists are engaged, our endeavour should be either to give them modern methods or give them *gur* value for their cane, so that they may have it converted into sugar, but I do not see how this *khandsari* system of production of sugar, which is neither agricultural nor modern, is entitled to any protection.

Now, Sir, what I find is that the sugar industry, even within the limits of the protection granted to it, is in the position that its products should be subject to a tax of one rupee per maund or not. Now, the incidence of the tax can well be judged by the fact that figures have been quoted in detail in the House to show that the margin of profits left to the factory owner is something in the neighbourhood of Rs. 1-8-0 or so per maund after meeting working expenses. I have figures for one or two factories, and I find that in one factory, the production of sugar was 2,76,000 maunds in the year 1932-33, and the profit was Rs. 1-7-6 per maund. That is very favourable indeed in a most favourable year and in a concern which has been in existence for several years. Similarly, in another concern, where they made two lakhs of maunds of sugar, the profit was in the neighbourhood of four lakhs of rupees, or put it at two rupees a maund. If that is so, out of this profit,—I am taking the

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most favourable figure for my argument,—if the profit was in the neighbourhood of Rs. 1-8-0 to Rs. 2-0-0 in a factory which has been working for the last eight or ten years,—from this profit you have to take away income-tax, super-tax, surcharge, and all these things come to about 26 per cent, —you have then also to provide for various charges like profits, depreciation and the rest of it, the depreciation comes to a fair amount,—if you are going to eat into the profit of Rs. 1-8-0 a maund, I really do not see what is left at all for these factories in the way of profit or for surplus, and so on. And this is the case, mind you, Sir, of a factory which has been in operation for the past several years. Factories which have been at work for only one or two seasons could have no margin of profit at all for handing over to the exchequer anything in the nature of Re. 1-0-0 per maund by way of excise duty. Therefore, the proposition is that if you want the industry to grow, let them first find their feet. When the industry has grown and has had a few working seasons, then would be the time to consider whether the excise duty should be levied or not. In fact, the Tariff Board itself proposed that in the year 1938 the question would arise as to how far this protection should continue and whether we should be on safe ground to grant the same amount of protection.

Then, Sir, my learned friend, the Finance Member looked into the case of old established factories in the United Provinces and Bombay. Would it not have been better if he had cast a glance across the Jumna from Delhi to Saharanpur and seen that there was not a single railway station which had not a factory or semblance of a factory somewhere which had either been erected already or which was in course of erection? I do not know if the proposed excise duty is put on whether any of these sugar factories will ever be able to pay any dividends for the next few years. The real test for this question would be to look at the sugar concerns that have come into being during the last two years or so and see how far they have been able to make a large profit or if they would be able to make any profit at all. Of course, there might be extraordinary cases; just as hard cases make bad law, there might be a few extraordinary cases which by a fluke might have made a good fortune, but that certainly does not illustrate the point. My friend, Mr. Yamin Khan, mentioned the case of a sugar factory which had earned in one year half their capital. Well, Sir, the explanation of it is, here was a most favoured man, he had a workshop to himself and the whole area was also at his disposal. There was no competitor for him. But does that concern tell the same tale this year? He will be a bold prophet who said that this concern would be able to pay this year even half as much as it paid previously. In this connection I may as well say that, before this excise duty was levied, there was a Conference held last year. We had an interesting discussion there; and one would like to know if this matter was ever placed before the Sugar Conference, and, if all the experts were called there at the expense of the tax-payer, if expert advice was taken on various matters, why was not the question of excise duty and the extraordinary profit, which some of the sugar concerns were making, referred to them? If this matter was placed before the Conference and if their advice had been taken, we might have been on safer ground. Then, there are the Local Governments. Was this matter ever referred to them? Certainly, the Local Governments would be in a position to say if profiteering has gone on in such a hopeless way that it was time for the Government to intervene. . . .

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadian Rural): It was not referred to them.

An Honourable Member: The market has fluctuated.

Mr. Jagan Nath Aggarwal: The market has fluctuated even during this one month. As I said, it is time that you proceeded on some well considered basis and not on the opinion of dilettante philosophers or misguided philosophers . . .

Mr. B. Das (Orissa Division: Non-Muhammadian): Do you say then that Sir George Schuster is a dilettante philosopher?

Mr. Jagan Nath Aggarwal: There are people who forget that in a matter of this kind any step taken in a hurry may lead to disaster, and a disaster in the industrial field will re-act on every one in the country, the agriculturist, the town dweller, poor man, villager, the labourer, in fact on every one in the land. One might almost feel that the real line of inquiry, as was foreshadowed by the Tariff Board, would have been for my friend opposite and for those of his way of thinking who hold that the sugar people have done better, to have suggested to the Government of India an inquiry into the utilisation of molasses, a product for which the Tariff Board thought a value of Rs. 1-8-0 per maund would be bad, but which now costs the sugar mills some money for having them thrown into the river or into the jungle,—to have taken measures to see that the bagasses, in which there is still some portion of sugar left, are not burnt in the mills. But this much must be recognised that during the past few years the sugar industry has made good progress with regard to the extraction of sugar from cane. Whereas the extraction of sugar was as low as five per cent before, it is now in the neighbourhood of nine per cent, and the yield of cane has also improved. But the lines of enquiry which had been foreshadowed by the Tariff Board have not been taken up. It is time that an enquiry was directed in these various directions which would increase the efficiency of the sugar mills, which would bring more profit to the agriculturist and to the cane grower, and it would then be time to take stock of the situation and to levy an excise duty. I am at one with those who feel that if an industry has grown up and is flourishing and kicking, if I may say so, it would be time to take a stock of the situation and make up our losses in the customs revenue by levying a duty on the industry. But the first essential condition for that purpose is to allow the industry to grow up and to allow it to become a hefty baby as my Honourable friend, Mr. B. Das. would say, and then it would be time to levy a duty, to put shackles on its arms, if necessary, and not before. The effect of a duty like this may amount to infanticide, and I hope those who support the levying of this duty will carefully consider this point before they give their support to it.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadian Rural): Sir, I no doubt will congratulate Government for what they have done for the development of the sugar industry in India and those responsible for it should legitimately feel proud.

But they cannot afford to rest on their laurels. They have before them the up-hill task of stabilising the industry. India is situated exceptionally well in regard to the manufacture of sugar, and, if the industry is properly organised, it may not only be able to supply its

own requirements, but may supply the requirements of the other countries as well.

In fact, what is needed is a bold policy of encouragement both on the part of Government as well as of the manufacturers. In my opinion, the real problem of sugar industry at present is not the problem of retention of further protection or otherwise of the industry, but reorganising it by reducing the cost of manufacture by constant researches in chemistry and engineering and by better utilisation of the by-products. The last item requires immediate attention. The proper utilisation of the by-products of an industry plays an important part in determining the margin of profit in the industry and its future development.

Molasses and Bagasse are the two most important by-products of sugar industry and unfortunately the sudden increase in the production of molasses with the simultaneous decrease in its consumption is a problem the manufacturers cannot tackle. This important by-product unfortunately is not at present a source of profit, but loss as it involves expenditure on its disposal.

I shall, therefore, request both Government as well as the manufacturers that, in the present controversy, the factories should not be ignored. I wish the sugar industry in India should be brought to such a perfection that it may be an envy of the world. The problem cannot be tackled individually. Let the entire services of the nation as well as of the Government, therefore, combine, so that the infant industry may not be nipped in the bud.

As regards the question of fixing the prices of cane, the problem is a very difficult one and controversial: still I shall wholeheartedly accept any proposal that ensures the payment of a fair price for their produce to the cane growers. India is predominantly an agricultural country and we should have the interest of the cultivators foremost and I think this will be in the interest of cultivators.

The factory owners may well argue that the instances when cane growers are paid low rates have been only a few and isolated, but I wish that such few and isolated cases should not recur. But, at the same time, in our zeal to help the cultivators, we should not go too far and ignore the important principle of economics. The problem, therefore, requires a very careful examination and I hope that the Select Committee, under the leadership of such a competent and experienced person as the Honourable Sir George Schuster, will deal very efficiently with the question.

In conclusion, I should also like to draw the attention of the Government as also of the House to the problem of the factories that produce sugar from *gur*. I know there are about four such factories working in my Province and they are some of the oldest factories in the country. Being adversely situated in the matter of location (at a distance of over 100 to 150 miles from big cane producing areas), they have not been able to convert themselves into cane factories or to add cane crushing sets to their plants. The capital sunk in them exceeds over half a crore. There is no arguing the point that the cost of production of sugar by these factories is higher than in cane factories, and, in my opinion, the proposed excise duty will greatly handicap these factories. In fact, I am doubtful if it will be possible to work them profitably when the proposed excise duty is imposed. Their problem, therefore, requires special considera-

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tion and I hope their problem would not be overlooked or ignored by the Select Committee.

In my opinion, it will be advisable that at least those factories, which are purely refineries, may be exempted from the operation of the Bill, or some other measures may be suggested in order to save them from destruction.

With these suggestions, I sit down.

Mr. S. O. Sen (Bengal National Chamber of Commerce: Indian Commerce): I believe that this is the first time that an excise duty is placed on a foodstuff within two years of the industry having been given protection. The Finance Member himself was doubtful as to the attitude to be taken in this matter, but ultimately he made up his mind to fight the propagandist who made loud representations against this imposition. The first charge against this measure is that it is a breach of faith on the part of the Government. Two years ago, the Government thought it best to give a protective duty to foster this industry and to make India self-sufficient in the matter of sugar. Within two years, the angle of vision has changed, and the Finance Member now wants to put an excise duty on the industry. People, on the faith of this protective duty, have put their money—some say 20 crores, some say 15 crores—in the industry, and naturally they resent the interference by the Finance Member against the promise made in the Bill that the protective duty would remain for 15 years. Sir, on the faith of that assurance, this money has been put in. The Finance Member has also his defence that he warned, in his Budget speech last year, people against relying upon the duty. In his speech introducing this Bill, he referred to this subject and stated that last year he gave a warning, and if people had not heeded his warning, he could not help. These are the words he used on that occasion:

"On the other hand, it would be highly imprudent for those who are investing money in the sugar business to forget that present conditions are more favourable than those on which according to the recommendations of the Tariff Board they have any right permanently to rely."

I rely upon the word "permanently".

His warning was that the industry should not rely permanently for protection, because things have turned out to be more favourable. Nobody thought of permanently retaining the tariff duty in the Statute-book. It was a duty for 15 years only, but the Finance Member must be mistaken if he thought that it was not going to remain in force even for one year, for this was stipulated in the Statute itself. Then he goes on:

"For that reason a due proportion of the profits that are earned on the present basis ought to be accumulated as reserves, for no right can become established to a continuance of the present position."

What is the warning in these words? The warning is that you cannot expect the Tariff Bill to remain permanently, that it is time that you should keep a reserve against future contingencies. Does he think that within one year the industry has sufficiently grown as to be able to keep a reserve and to accumulate a reserve? It is open to criticism whether this is a warning or not. It is merely an advice given to the industry that they should not expect the tariff to remain for ever, and that, so long as the tariff remains, they should keep a reserve against future contingencies. That is not a warning, if I may say so, but it is

an advice given by the Finance Member. Does that enable him now to come within two years with a proposal for a tariff or rather an excise duty against this commodity? Does he think that an excise duty is to be treated as a reserve by the industry or is it not an imposition against the industry itself which, according to his own words, ought not to be done, but, instead, a reserve should be created? The change of attitude has been explained by the Finance Member in this way that the industry has made enormous profits in the meantime, within one year, and he goes on to quote some instances where shares have gone high. I have nothing to do with the speculation, but one of the motives which the Finance Member has stated for introducing this measure is to prevent speculation. That is a very laudable object, and I wish the Finance Member had taken this counsel some time before. We know that in Calcutta, Bombay, Madras, Karachi and Cawnpore, speculations are rife every day and no step has yet been taken by the Government or by any person to stop speculation, nor do I think that any step can ever be taken to stop speculation. Speculation must go on, and it will go on irrespective of the present measures. Then, what is the motive of this Bill? As has been pointed out by some speakers and particularly by Mr. Aggarwal, the Finance Member's information about the extraordinary profits made by the industry is not founded on facts. It is only six or ten per cent that the industry has got, and that is only in the case of concerns of long standing and not the new concerns. The older concerns, which started their business in this country 30 years ago, have made enormous profits, but what about the infant institutions which have come into being by reason of the Tariff Act passed by this House? In the Investors' India Year Book, I find the following passage:

"Sugar producing companies enjoyed a boom during the year 1932, and here again this was almost entirely due to the working of the Sugar import duties. Innumerable new factories under both private and public ownership have been put up during the year and the principal danger to this industry in the future seems to be over-production. Efforts, however, are being made to set up an organisation to check cut-throat competition, and though this will be more difficult than in the case of Cement and Jute Fabric, owing to the number of small privately owned mills in existence, the task is not impossible. It cannot be said that at the present time there is over-production and with the existing protective duty scheduled to remain in force until March, 1938, prospects for this industry may still be described as favourable."

The real reason for the favourable condition of the industry at the present moment has been stated to be the fixity of the tariff for the next 15 years. If a duty is now inflicted upon this infant industry, it is bound to ruin the industry.

Then, the Finance Member has said that the new industry cannot expect in one year to pay interest on the capital, expenses, depreciation and also dividends. I do not know of any company which pays both interest and dividend to the shareholders at the same time. The interest may be paid on borrowed capital, but not to the shareholders themselves. Therefore, the whole calculation upon which the Bill has been based is faulty and is incorrect. Under these circumstances, I do not know why this Bill has been brought into existence at all. I must say one thing in connection with this. There are certain passages in the speech of the Honourable the Finance Member which go to show that he is somewhat afraid of this industry having markets outside India. So far as regards all other commodities and industries in this country, there is no chance of any one of them going out of India and selling their commodities outside, but this industry, if everything goes on all right within the next few

[Mr. S. C. Sen.]

years, will have a market outside for the consumption of the products of the industry. Probably the Finance Member thinks that such a condition ought not to be allowed to grow, and hence, in his anxiety to put some sort of obstacle in the way of this growing industry, he has imposed this duty. He says:

"At present, as I pointed out to my Honourable friend, they, in order to secure a position in the Indian market, will get under our proposals margin of protection representing something like 200 per cent *ad valorem*. If they want more than that, is there the slightest chance or hope that they will develop their efficiency so as to take their place competitively in other markets? It is quite impossible, and that is the reason why I said in my Budget speech that taking a long view, our present proposals which would make the task of the sugar manufacturer not quite so ridiculously easy as it is at present is really in the interests of the sugar industry itself."

Sir, I do not know what is meant by that, unless the Finance Member wants to make the position of this industry so hard that it may not go outside India and engage in any competition in the market abroad, and this in the interest of the United Kingdom who, as is reported, is already negotiating with Java. I, therefore, oppose this Bill.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, my Honourable friend, Mr. Jagan Nath Aggarwal, began by saying that he was going to speak on behalf of the consumers, on behalf of the industrialists, on behalf of the agriculturists, on behalf of the tax-payers and on behalf of everybody, but he ended his speech with a very strong plea on behalf of the industrialists alone. (Laughter.) Like the brilliant lawyer that he is, he has presented their case in a very convincing manner which would do justice to any able lawyer or advocate, but, Sir, he has not tackled the most important point. He admitted, in the first instance, that in the year 1930 the Government were deriving a customs revenue of ten crores of rupees, and, in the present year, they have budgeted only for two and a half crores. There has thus been a diminution in the customs revenue to the extent of seven and a half crores of rupees, and my Honourable friend has not suggested any means in his otherwise long speech by which he would make good this serious deficiency.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

Well, Sir, what is the position? If he is going to convince the Government or if he is going to fight for the cause that this deficiency should be met by a reduction in the military expenditure or in the cost of the civil administration, then I would agree with him, and I would oppose the levy of this excise duty. But, so far as I have heard him, I have not heard any arguments to prove that the agriculturists will suffer by the imposition of this excise duty.

Sir, the Tariff Board itself suggested a protective duty of Rs. 7-12-0 as a maximum, and this measure retains that protection. That is to say, the Bill retains Rs. 9-1-0 protective duty and seeks to levy Rs. 1-5-0 excise duty, which is the difference between Rs. 7-12-0 and Rs. 9-1-0. Sir, the Tariff Board has envisaged a period for the development of the sugar industry and said that the industry should supply the whole requirements of the country within a period of seven to ten years. But, what do we find? Within two years, the industry has so developed that it is almost making India self-supporting. This rapid growth, however, is really

alarming, and I think that is not a very healthy feature. Sir, it stands in the same position as the Bombay mills. They are now thriving under the high protective wall, the cost of which is met by the tax-payer, but once this wall is removed, then, unless they organise themselves, the industry will fall like a pack of cards. (Hear, hear.) Our Haroons and Swarups are in a very comfortable position now under the shelter of the high protective wall. But, once that protection is removed, for some reason or other, they will suffer a crash and approach us like the Modies with beggar's bowl and ask for more and more protection. Sir, I want to stop such a calamity, and it is only in the interest of this industry that I welcome this excise duty.

My Honourable friend, Mr. Aggarwal, said that *khandsari* sugar also should not escape the excise duty once that was levied. He said he was doubtful as to whether it was a cottage industry at all. Sir, the *khandsari* industry stands in the same position to the sugar industry as the handloom industry stands in relation to the mill industry.

(Interruption by Lala Hari Raj Swarup.)

Well, I do not want to yield; I know what my friend wants to drive at. *Khandsari* sugar is really a cottage industry, and it is the agriculturist that really takes to this *khandsari*. I am obliged to my friend, Mr. Aggarwal, for pointing out statistics from the book of Mr. M. P. Gandhi, wherein he stated that "the cane that is consumed in factories enjoying protection is 6·6 per cent in 1932-33 and ten per cent. in 1933-34" and he also pointed out that 69 per cent of the cane had been converted into *gur* and 11 per cent had been converted into sugar by indigenous processes. I am not accustomed to this word *gur* in our Presidency—the word *jaggery* is used there, so, if I cannot properly pronounce the word *gur*, I must be excused. Thus, nearly 80 or 90 per cent of the cane has been either converted into *jaggery* or into sugar by indigenous processes; it is only ten per cent of cane that is converted into this sugar. Then, what is the position of this 90 per cent of sugar-cane? Sir, it is common knowledge that the price of *jaggery* has fallen considerably and does not even pay the cost of manufacture. I am not basing my case on mere surmises, but I base my statement on the bulletin issued by the Department of Agriculture of the Madras Presidency. This is what they say:

"The present market price for *jaggery* is so low that the profits from the sugarcane cultivation have gone down. Except in specially favoured localities, the cost of production is hardly covered by the present price realized for *jaggery*. This unsatisfactory position can be improved either by reducing the cost of growing sugarcane or by making white sugar instead of *jaggery*."

Sir, that is the only course for the agriculturist. He must convert into sugar the cane which he cultivates. It is only ten per cent of the sugar-cane that is consumed in the factories. He must find a market for the remaining 90 per cent of the sugar-cane. At present, even the indigenous processes consume only 11 per cent and all the 70 per cent he has to convert into *jaggery* or to sell it at a very low price. He is entirely at the mercy of the factory-owners where factories exist or at the mercy of God where no factories exist. My suggestion is that he must necessarily convert this 70 per cent, which he is now converting into *gur*, into country-made sugar for which there is some market, and that is why I say that the *khandsari* must be protected at all costs.

[Mr. T. N. Ramakrishna Reddi.]

Everybody has been raising his voice on behalf of the industrialists and on behalf of the wealthy factory owners, but very little has been said in this House on behalf of these *khandsari* manufacturers or on behalf of the agriculturists. If this excise duty is also levied on *khandsari*, then they cannot stand the competition of this factory sugar which is now enjoying, even after this excise duty, a protective duty of Rs. 7-12-0. The reason is this. In the first instance, the white sugar has got a very good market and can command a good price, but the sugar manufactured by *khandsari* process or any other country-made process commands a lower price. That is one handicap. In the second place, *khandsari* is manufactured only by the open pan system, and they get only three to four per cent of sugar.

Lala Hari Raj Swarup (United Provinces: Landholders): They get on the average five per cent.

Mr. T. N. Ramakrishna Reddi: In extreme cases, perhaps they might get even five per cent. But I do not admit it. The Honourable Member is entitled to his opinion just as I am entitled to mine. Even if it is five per cent, it is very much less than what a factory gets by the vacuum pan system, which comes to about nine or ten per cent.

Lala Hari Raj Swarup: It is only eight per cent.

Mr. T. N. Ramakrishna Reddi: Even there, you will find, Sir, that nearly 50 per cent more white sugar is manufactured from the same amount of cane. Even there, the factory is in an advantageous position.

(Interruption by Lala Hari Raj Swarup.)

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Honourable Member does not want to give way, and he should be allowed to proceed with his speech without interruption.

Mr. T. N. Ramakrishna Reddi: Sir, I am treading on the corns of my Honourable friend, and that is why he is interrupting me. Anyhow, I am not going to yield to his interruptions.

Besides, Sir, this country-made sugar has to find out a different market. The white sugar has got one market and this *khandsari* sugar has got a different market. It caters to the needs of the poorer people who make out of it sugar candy and sweetmeats and so many other things. It is for the consumption of the poor man. If then it is placed in the same position as the white sugar, it is bound to go to the wall. It may be asked, why has it not had this experience so far? The answer is that hitherto there was very little white sugar produced in this country and all the white sugar needed was coming from foreign countries, and the price of Java sugar was very high, and, therefore, the *khandsari* sugar was not very much affected by way of competition. But, now, because of the protection, the country is making its own sugar, and, on account of internal competition, the price is also going down, and, therefore, it is going to cut across the price of *khandsari* sugar, so much so that people, who were till now using *khandsari* sugar, might be inclined to use white sugar. The *khandsari* sugar manufacturer will then be reduced to a desperate condition. In order, therefore, to protect these 90 per cent sugar-cane growers, the *khandsari* sugar must be protected, and it must be

excluded from any excise duty that might be imposed upon the factory-made sugar.

Well, Sir, it might be asked that if the *khandsari* sugar is to be manufactured at such uneconomic condition, why should it exist? That is really a very pertinent question. But, as I have said, it has to supply certain markets; it has to supply the requirements of the poorer people and at a lower price. That is one reason. Secondly, it is only in Northern India—the United Provinces and a portion of the Punjab—that the factories have grown up like mushrooms. In the Bombay and the Madras Presidencies, there are very few factories. In fact, they can be counted on fingers' ends. If there is no *khandsari* sugar or if the cultivator does not find any sale for his sugar-cane, he will be in a very helpless position. As I have already pointed out, the price of *jaggery* will not cover the cost of manufacture. For these reasons, *khandsari* should be excluded.

Sir, there is only one little point which I might state in passing. My friend, Mr. Mudaliar, pleaded for the exemption of factories that are raised this year from the operation of this excise duty. The Honourable the Leader of the Independent Party, Sir Abdur Rahim, said that no exemption should be given, because, as in the field of law, the late comers must suffer on account of competition, and, therefore, they should not be given any exemption. But, I am afraid, that analogy is not on all fours, so far as the factories, that are raised this year, are concerned. When the factories were raised this year, they were expecting the protection of Rs. 9-1-0 to continue. It was on that understanding that these factories were raised, and they will suffer very much if the excise duty is also imposed on them. Of course, by next year they will be on the same footing as the other older factories, and then they might be brought under the operation of this duty. For all these reasons, I support this measure being referred to the Select Committee.

Several Honourable Members: The question may now be put.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is that the question be now put.

The motion was adopted.

The Honourable Sir George Schuster (Finance Member): Sir, at the outset, I wish to ask you to allow me to move a small amendment to my original motion. I wish to substitute the name of Sir Frank Noyce for that of Mr. Hardy as a member of the Select Committee. I hope that would be agreeable to the House.

Sir, we have had a long discussion, and I must confess that one of the thoughts which has been uppermost in my mind, as I have listened to it, is a feeling of relief that I am approaching the end of a task which means introducing Bills for taxation. I doubt if any Honourable Member appreciates how unpleasant it is to have to go on making proposals for new taxation. I do not complain of any criticism, but what I do ask is that we should have fair treatment, and I do not think it is fair for Members to say that if they had a national Government they would not have had proposals of this kind. I am sorry that my Honourable friend, Bhai Parma Nand, is not here, because he is a speaker to whom I have always listened with attention. He has always seemed to me to speak honestly what is in his mind, and I would put it to him very seriously that that is an unfair type of criticism. This is undoubtedly a very difficult measure as I made it clear when I made by speech at the commencement

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of this particular debate; but I do think that it is of the greatest importance that the representatives of the public in the Legislature and the public itself should appreciate the lessons to be learnt from this particular incident as regards sugar. If I, feeling the responsibility which rests upon me, venture to point out what are the dangers of excessive protection, I am trying to do a public duty. I am not trying to kill an infant industry or speaking as the representative of an outside power which is inimical to the development of Indian industries. Those days are all passed, and I should have thought that if there was one case, where that charge could not be levelled, it is the case of this sugar industry where no one can possibly suggest that British interests are in the least concerned one way or the other. I think it does a great deal of harm that matters of this kind should be discussed in that sort of atmosphere of prejudice.

Now, Sir, there have been a great many irrelevancies, if I may say so, in this discussion. I regard all the arguments in favour of protection of the sugar industry as such as entirely irrelevant and the whole of the speech, lasting over an hour of my Honourable friend from the Punjab, Mr. Jagan Nath Aggarwal, was entirely irrelevant. It was a defence of the policy of protection for sugar, a policy for which we are responsible and to which we absolutely adhere, and I say at once that, if this measure that we are now introducing can be demonstrated to be inconsistent with that policy that was introduced by the Honourable the Commerce Member in 1932, then we must go back on the measure, we must amend the measure and we must acknowledge our mistake. We still adhere to that policy of protecting the sugar industry whatever it costs. That is a policy which we have adopted and we must adhere to our word. Several speakers have said, and my Honourable friend, Mr. Sen, said just now that we introduced this measure two years ago, and that now the angle of vision has changed. The angle of vision has not changed at all. Our attitude is exactly the same, I just looked up the speech of Sir George Rainy when he was introducing that Bill in 1932, in order to see whether there was anything that could possibly have led to any misunderstanding on the matter, and I find that he stated quite clearly that the effect of that measure was to make the revenue duty of Rs. 7-4-0 a cwt. permanent and that it removed the basic duty of Rs. 7-4-0 a cwt. from the power of myself as the Finance Minister to vary it downwards if the financial exigencies dictated such a course. He made it quite clear that, so far as the surcharge was concerned, that was quite independent, and every Honourable Member, who has any interest in the sugar industry, knows perfectly well that the surcharge was a temporary affair and that all that he could rely on was that basic duty of Rs. 7-4-0 a cwt. I am sure that my Honourable friend, who spoke so feelingly and eloquently, Seth Haji Abdoola Haroon, will admit that he came to me and said he expected the surcharge to go in March, 1933, and another gentleman, who has taken a great deal of interest in this matter, Mr. Shri Ram, I remember coming to me early in January this year and saying: "You must stop this position of uncertainty. We do not know what you are going to do about this surcharge. This sword of Damocles must either fall or be removed". Every one, who is interested in this sugar industry, knows perfectly well that, so far as the surcharge was concerned, the position was one of complete uncertainty and no one could possibly have misunderstood the warning that I gave in my Budget speech of 1933.

Now, Sir, that is the first point that I want to say something about—the question whether we are going back on our word and whether we are not, if these proposals are accepted, going to continue for the industry that measure of protection on which they were entitled to rely. I would remind Honourable Members that we can only be accused of any breach of faith if there is to be now a difference between our proposals and those of the Tariff Board. We accepted the proposals of the Tariff Board, and the proposals of the Tariff Board were recommendations for a certain measure of protection against foreign competition. That is the essence of the case. The measure of protection which they recommended was Rs. 7-4-0 a cwt. possibly to be increased to Rs. 7-12-0 a cwt. In spite of the very full flow almost of ridicule with which my Honourable friend, Mr. Mudaliar, has tried to drown the learned Doctor as regards his arithmetical basis of calculation, in spite of that, I have no hesitation in ranging myself beside my Honourable friend, Dr. Ziauddin Ahmad, and saying that his arithmetical calculation is an entirely correct basis. I put it to the House that supposing we had worded our proposals slightly differently, supposing we had said we are going to remove the surcharge, the import duty is Rs. 7-12-0 a cwt., that is a fixed position, and no one can query that. And, then, if we had come along and said: “We find it necessary for revenue purposes to levy a tax on the consumption of sugar and we are going to levy a tax of Rs. 1-5-0 a cwt. on the consumption of sugar and we are going to collect that so far as the Indian made sugar is concerned at the factories and so far as the foreign sugar is concerned at the port of entry—but it is a consumption duty”—could anyone possibly have said that that was not carrying out the recommendations of the Tariff Board as regards protection against imported sugar? (Hear, hear.) I defy anyone to say that that is not consistent with the original proposals and the original policy. But, Sir, certain Honourable Members say that is all irrelevant, that does not convince us at all, because the position that has grown up is such that, merely by carrying out that policy, you are not going to put the sugar industry into a desirable position. Your consumption duty on sugar is a bad one, and the margin of protection which you are giving us against foreign sugar does not interest at all any longer, because the internal Indian made sugar prices are now quite out of touch with parity in relation to Java sugar. That is the point made by my Honourable friend, Mr. Mudaliar. That is a point which must be discussed, but what I have to say in the first place is that, if that is the case, it has nothing whatever to do with the tariff policy which we adopted. If Honourable Members come along and say protection against Java sugar has no interest to us any more, then all that the Tariff Board recommended is of no use to them. And, Sir, there is a very important point underlying this. I think that the fear which lies behind the arguments of those who are opposing this proposal is this,—that the development of the industry in India has gone so fast and so far that there is going to be a cut-throat competition internally, that that is going to put prices down and make it impossible for the manufacturer to keep up the level of prices to the margin which would be possible if all that he had to fear was competition from outside coming in over the tariff wall. Now, Sir, that is a perfectly possible position, but I maintain that it is no argument against our proposals, that it affords no support to the charge of breach of faith, and that in fact, if anything, it strengthens our case for doing something of the kind that we are proposing to do now, because if the position is this, that the growth of factories in India has gone so fast

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and so far that there is a danger of price cutting within the Indian market as between Indian made sugar, surely those concerns that are already in the market would welcome a measure which stops this unnatural attraction to the further increase of production here, and surely that indicates that however desirable it may be eventually to see the production of sugar go much further than it has gone now, however desirable that may be, the time at any rate has come to call a temporary halt in that. Let the industry overhaul its position, let the industry cut out the weaker spots, and then go forward for a new campaign which will be a campaign to capture not the home market, but the foreign markets as well. Now, Sir; that is really the only hope for the industry if there is to be a big development in the future and a development which we all hope to see. But if that is to come, then I come back to the point that I originally made that if we are to march forward to greater efficiency and the power to compete in foreign markets we shall never develop that efficiency unless we apply to the industry the spur of a certain amount of difficulty in making profits. If we keep it permanently in a hot-house which enables it to make even a ten per cent profit without any great difficulty, then the industry will never improve itself. And that, Sir, is our position.

At the same time, our position is that with our proposals the industry will be able to maintain the position promised to it by the Tariff Board. Now, I do not want to go into a great many figures at this stage. The time, as I have always said, for examining the figures is in Select Committee, but I do want to put just a few points to the House. So far as we have had any figures put forward in this debate—and I have listened very carefully and have really heard no straightforward convincing statement about the figures from those who have spoken on behalf of the manufacturers—but, so far as we have had figures, I have found them governed by two fixed points. On the one side, we are told that the price on which they can rely for sale is Rs. 7-12-0 a maund, and on the other side the other determining factor is that they pay six annas a maund for our cane. Now, Sir, I dispute both those points. We have watched very carefully the prices of sugar. Of course, they fluctuate and anything that one says in regard to what price can be expected is undoubtedly a factor of uncertainty. But so far as we can see on the basis of figures up to date, a fair price to rely on, taking an all-over price and assuming that a factory produces 50 per cent of firsts and 50 per cent of seconds, a fair price is Rs. 8-2-6 a maund. And, as regards the price of cane, I defy my Honourable friends to maintain their position that they are now all over the industry paying six annas a maund. I would refer them to resolutions which were passed by, I forget the exact name of the committee, but resolutions which applied to the whole of the Gorakhpur district, in October, 1933, which committed them to paying five annas a maund for their cane. Now, Sir, our position is this, and this is what we are going to stand on in the Committee, that recalculating the Tariff Board's figures,—and they are bound to be recalculated, because many of the factors have changed, some adversely as regards the price of molasses and others favourably owing to the greater size of the factories and the completely different price of cane just now prevailing,—recalculating the Tariff Board's figures on the Tariff Board's basis, we reckon that a fair price for sugar today is Rs. 7-1-0 per maund and that on that price they can get their ten per cent profit. As against that, we reckon that the

average selling price, and taking this on a conservative basis, is Rs. 8-2-6 a maund. Therefore, they have a margin of Rs. 1-1-6 a maund. The value of the duty is 0-15-7 a maund, let us say, one rupee a maund. They can pay one rupee a maund, they can get a fair selling price according to the Tariff Board which gives them ten per cent on their money and they still have 1½ annas over for additional profit over and above that ten per cent. That roughly indicates the position on which we stand; and, generally, apart from the figures our position always has been that it is possible for the industry to carry on, to pay a fair price for cane and to pay this excise duty. And that we have to make good in the Select Committee.

Sir, I do not think I need say any more on that particular point. I only want to deal with two other points which seem to me to be of great importance and which affect our whole case. I ventured in my remarks, which have been very much criticised as evidencing what an enemy I am of India, to say that it is very dangerous for the country to get into a way of listening to the demands of an industry for exaggerated protection. It seems to me that the case throughout this debate has been argued on the assumption that an industry is entitled to be given conditions in which the average factory, regardless of the standard of efficiency, is able to earn ten per cent. on its money from the very outset of its operations. Now, Sir, I feel that I can claim to know something about the investment of money in industry. In the years of my life before the War, when I was in business, it was my business to run an investment company whose sphere of operations was investments in industries in connection with mining and metal trading, all industries connected with mining, smelting, copper rolling mills, iron and steel,—a very wide sphere of industrial interests. It is my experience in British conditions, where I think one may claim that there is a fairly high standard of efficiency in management and enterprise, it is my experience that any one who embarks on a new venture can hardly ever hope to establish a position in new business earning a profit except after four or five years' work in building up the position. It is my experience that on an average the money invested in industry probably does not earn more than four or five per cent. In those cases, where you find companies paying large dividends, you almost always can look back on a long history of self-restraint during which in the early years they have been putting aside all their profits to reserves and building up a strong position behind their nominal capital. And there is no field except a highly speculative field like mining ventures where you can ever expect to earn anything like a ten per cent. regular dividend. I would ask any Honourable Member opposite who is interested in industry to tell me that he thinks it fair to expect a ten per cent. assured dividend on any industrial proposition. It is true that at times industrial shares have to show the possibility of a yield of ten per cent. because they are so speculative, and unless there is possibility of an yield as high as that, no one would put his money into the business. But, then, that ten per cent. profit has to balance years of loss. And, on an average, I say that industrial profit should certainly not expect more than about five per cent. on the whole capital. And yet everyone here seems to talk on the assumption that an industry, even a moderately well managed industry, ought to be assured a position in which it can earn ten per cent.

Now, Sir, there is another side to that matter to which I should like to draw attention, and, again, I am sure, it will be supported by any of the Honourable Members opposite who have any experience of business. It

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is very difficult to put your finger on the spot and say exactly where one man is an efficient manager and another is not. To all outward appearances one man may run his show just as well, may keep his accounts just as well, may be just as good in engaging his staff, and so on; and yet one man has got a commercial sense and is able to work profitably and another man is always able to show something like a loss. But, here we seem to forget all these differences. If any single factory comes and says that it cannot make ten per cent. can that be considered a ground for an appeal to Government to go and give a further piece of protection? I do put it to the House that if the efficiency of Indian industry is to be developed, it will never succeed if the expectations of profit and the checks on inefficiency are so high and so loose as seems to be the case in the minds of most of those who have spoken on the subject. Certainly there would be very little chance of India ever developing herself to a point where she can compete in foreign markets as regards sugar.

I have mentioned these points, because, as I have already suggested, I do take very hardly some of the criticisms that have been levelled against us for introducing this measure or for making the sort of observations which I have made as to what are the real interests of India if one wants to see India develop industrially in the future.

There is another side of the matter which I only just want to mention and shall say very little about, and that is this: I do wish again to call the attention of the House to the two-edged nature of the weapon of protection. It is, of course,—and no one of us denies it—a most satisfactory thing to see the sugar industry in India developing as it has developed. But we must not forget that there is another side to this, and, when I say that, I do not mean to say that it should deter us from the policy of developing our industries, but simply this: that when any particular proposals come up, they should be examined in all their aspects. We have had a great deal of talk about rice in the past few months, and it is interesting to see what are the figures as regards the exports of rice to Java and Sumatra in the last few years. I do not say that the development of sugar industry in India is the sole cause of Java and Sumatra having to turn over to rice cultivation, but certainly it is the most important single factor in the situation, and nothing has upset the Java position more than the sudden development of our own sugar industry. In 1932, for the ten months ending January the 31st, our exports of rice to Java were 1,29,643 tons. In the ten months ending January the 31st, 1934, they had come down to 63,900 tons: that is to say, the exports to Java had diminished by over 65,000 tons or more than half; and they will come down still more. That is an inevitable development. Java production of sugar has had to be cut down enormously; so far as I know, even the reduced Chadbourne agreement quota for Java of 2½ million tons will have to be cut down to ½ million tons next year; and, of course, they have to find other means of employing their land and are now growing rice instead. So that that is an illustration of the other side to this picture, although as I have said, it does not mean that we should not go on developing ourselves industrially.

I think all the other points that have been mentioned can be dealt with satisfactorily in Select Committee. We shall welcome the opportunity of a careful examination of all these points, and I trust that we shall be able to convince the House, after full discussion in Select Committee, that our measure, however unpopular it may be, is definitely a right measure in the interests of the country. Finally, there is one thing which is borne in upon

the most clearly after this discussion, and that is, that to have allowed this state of affairs to continue any longer without raising this issue, without ventilating this issue, and making people understand what is going on in the sugar industry, would have been the worst possible mistake that we could have made.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the name of Sir Frank Noyce be substituted in place of Mr. Hardy, as a member of the Select Committee."

The motion was adopted.

Dr. Ziauddin Ahmad: There is another amendment, Sir, of Mr. Anwar-ul-Azim for the addition of two more names.

Mr. President (The Honourable Sir Shanmukham Chetty): He does not want to move it.

The question is:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st of August, 1934."

The motion was negatived.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa : Muhammadan): Sir, there is one more amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): What is it?

Mr. M. Maswood Ahmad: That the words 'seven days' be omitted. It has not yet been moved, and I want to move it. It is on the agenda paper.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member may move it.

Mr. M. Maswood Ahmad: Sir, I beg to move:

"That in the motion, the words 'with instructions to report within seven days' be omitted."

I want to make simply a few observations in this connection. One is this: that we on this side of the House are always opposed to the idea of limitation of time for reports of Select Committees. We want that sufficient time should be given to the Committee and it should be left in the hands of the Committee that whenever they think fit they may report. We should not restrict their action by any such clause that they should report within seven days or some such period. You find, Sir, that the trouble is that the Assembly is going on from day to day, and there is no time practically to consider these questions, and the figures, which my Honourable friend himself admitted, have to be examined in the committee stage; but, if there is not sufficient time, how will it be possible for the Committee to consider this point, and to examine all those figures which have been quoted by Honourable Members on both sides of the House?

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Further, you will find that I said in the beginning that two or three more important questions had to be considered and those can be considered in the light of the opinions which they may receive from the Local Governments. The main point which may be urged is that the Budget has been passed and they are not aware what is their position and whether they will get this duty, and they will want to know where they stand and whether this income can be expected or not. But when we send this Bill to the Select Committee, it means that we accept the principle of the Bill; but we are not aware of the opinions of the Local Governments. I have said that the Government will not lose anything if they postpone this recommendation to get the report within seven days, and they can take this measure in the Simla Session. We accept the principle of the Bill by sending it to the Select Committee, but we want that this question should be entirely open to the Committee that if the Committee thinks that the opinions of the different Governments should be placed before them, and if the Committee recommends to the Government that they want to have the opinions of the Local Governments there should not be any trouble in the Committee, and the Government should be in a position to circulate the Bill by executive order to different Local Governments to know their views in this connection.

There is another objection, Sir, Some friends think that if this measure is not passed, the Bill, which is in the name of my friend, Mr. Bajpai, will not see the light of day, and we will not be able to pass the Bill to regulate the price of sugar-cane. I should like to tell my friends that nothing would be lost if we do not pass the other Bill within six months; we shall not be able to give any benefit to the cane grower by passing this Bill now, because the sugar-cane season is now over, and whatever benefit the agriculturist will get as a result of the passing of this measure, will be only in the next sugar-cane season. Therefore, there need be no hurry for passing that measure. My view is that, instead of limiting the time, it would be better to leave the whole question in the hands of the Committee. Let the Committee sit and consider the whole question, and if they think that this Bill should be circulated, then it should be circulated. But, if, on the other hand, they find they have sufficient information in their possession, then, certainly, they will not delay this matter and they will place their views before us. My whole object is that the hands of the Committee should not be tied down in considering this matter quickly and that no restrictions should be placed on them. With these words, I move my amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That in the motion, the words 'with instructions to report within seven days' be omitted."

Mr. S. G. Jog (Berar Representative): Sir, my friend, Mr. Maswood Ahmad, has made the suggestion with the best of motives, but I think he is a bit out of order, because for every Select Committee they must fix a time limit, and if, within that time limit, they are not able to report, they will have to come to the House and ask for further extension of time to report. Any motion with an indefinite arrangement without fixing any time limit is out of order.

Sardar Sant Singh (West Punjab: Sikh): Sir, I want to make a few observations on the motion moved by my friend. It is admitted on all hands that levying of an excise duty, so soon after protection has been given, is a departure of very great magnitude. Therefore, it is absolutely necessary that we should examine the situation more carefully and more thoroughly than is usually done within seven days in a Select Committee. My suggestion to the Select Committee would be that, instead of hurrying through this measure, in their meetings they should examine the important interests affected by this excise duty. Of course, by carrying out this motion we accept the principle of levying the excise duty upon sugar manufactured in India, but there are certain interests which would like to be heard, and, if necessary, we may have to examine certain representatives, so that they may be able to put forward their point of view, and the House should be able to record its decision on materials which may be trustworthy and reliable. Therefore, I support the motion of my friend, Mr. Maswood Ahmad.

Dr. Ziauddin Ahmad: Sir, I have one difficulty which I hope my friend, Mr. Maswood Ahmad, will clear up. Suppose the Committee does not report at all, then what would happen?

Mr. M. Maswood Ahmad: My friend has forgotten the Standing Order. My friend will find that the Standing Orders give sufficient protection in this matter.

Seth Haji Abdoola Haroon: Sir, I support wholeheartedly the motion moved by my friend, Mr. Maswood Ahmad. I do not think, if this amendment is accepted, the Government will lose any revenue. As all Honourable Members know, the cane season is already over. Most of the sugar factories are to be closed on this side of the country. I think some factories close to Gorakhpur in the Western U. P. are about to close shortly, and some will close before the first half of May. Therefore, there is only one month left for the crushing season, and half the number of mills will be closed before the end of this month. If this amendment is accepted, we shall be able to know many things. For instance, the Finance Member just now gave the figure of Rs. 7-1-0 as the actual cost of sugar, and if they pay a price of Re. 0-8-0 in the Gorakhpur district and one rupee as excise duty, there will be a margin of nearly ten per cent. So, we shall be able to go through all these matters very carefully, and if the Finance Member agrees to this small amendment, I think he will not lose much revenue.

The Honourable Sir George Schuster: Sir, I must strongly oppose this amendment. It seems to me that my friend is merely trying to get the House to reverse the verdict which they have already given as regards his original amendment. His original amendment sought to send the Bill for circulation and delay it until August. Now, he seeks to achieve exactly that result by another means. Our position is that the House has got the information before it in order to deal with this matter, and there is nothing to be gained by delay. On the other hand, we must get our financial programme through as is the ordinary course at the Budget Session. It was merely by an accident that this particular Bill had to be taken separately from the Finance Bill, but it must be passed at the Budget Session. I oppose the motion.

Mr. M. Maswood Ahmad: May I know what is the hurry to pass this Bill in this Session? Will my friend make the position clear?

Dr. Ziauddin Ahmad: My friend, Mr. Maswood Ahmad, I think, did not give correct information. The rule says that "such report shall be made not sooner than three months". Now, "not sooner than three months" may mean till eternity on the other side.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the motion, the words 'with instructions to report within seven days' be omitted."

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): There is perhaps another amendment by Mr. Maswood Ahmad, is it not?

Mr. M. Maswood Ahmad: I don't want to move it, Sir.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill to provide for the imposition and collection of an excise duty on sugar be referred to a Select Committee consisting of Diwan Bahadur A. Ramaswami Mudaliar, Mr. S. C. Mitra, Mr. Muhammad Azhar Ali, Seth Haji Abdoola Haroon, Lala Hari Raj Swarup, Mr. Jagan Nath Aggarwal, Mr. Bhupat Sing, Lala Rameshwar Prasad Bagla, Mr. R. S. Sarma, Mr. A. Das, Bhai Parma Nand, Mr. C. S. Ranga Iyer, Mr. F. E. James, Mr. G. Morgan, Nawab Major Malik Talib Mehdi Khan, Sirdar Nihal Singh, Major Nawab Ahmad Nawaz Khan, Mr. G. S. Bajpai, the Honourable Sir Frank Noyce, and the Mover, with instructions to report within seven days and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

THE MATCHES (EXCISE DUTY) BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

"That the Bill to provide for the imposition and collection of an excise duty on matches be referred to a Select Committee consisting of Sir Cowasji Jehangir, Mr. Rahimtoola M. Chinoy, Mr. S. C. Mitra, Mr. B. Sitaramaraju, Mr. B. V. Jadhav, Mr. Sitakanta Mahapatra, Sardar Sant Singh, Mr. R. S. Sarma, Rao Bahadur S. R. Pandit, Mr. N. N. Anklesaria, Pandit Satyendra Nath Sen, Sirdar Harbans Singh Brar, Sir Leslie Hudson, Sir Darcy Lindsay, Mr. A. H. Ghuznavi, Mr. Muhammad Anwar-ul-Azim, Dr. B. D. Dalal, Mr. D. N. Mukharji, the Honourable Sir Frank Noyce, and the Mover, with instructions to report within seven days, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

I do not think that it is necessary for me to make any long speech in moving this particular motion. I have explained the position fairly fully in my original Budget speech. I have no particular case or public agitation to deal with in this matter. What I want to put before the House is that this is an extremely reasonable proposal, but that there are many technical aspects which will require full discussion in Select Committee. I may say that we have had an opportunity, in the interval since we introduced this

measure, to discuss it with some of the representatives of the leading match manufacturing companies, and there is no doubt that on certain points some technical modifications will be necessary in the measure as originally proposed. But all of those points are points which can well be discussed in Select Committee. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That the Bill to provide for the imposition and collection of an excise duty on matches be referred to a Select Committee consisting of Sir Cowasji Jehangir, Mr. Rahimtoola M. Chinoy, Mr. S. C. Mitra, Mr. B. Sitaramaraju, Mr. B. V. Jadhav, Mr. Sitakanta Mahapatra, Sardar Sant Singh, Mr. R. S. Sarma, Rao Bahadur S. R. Pandit, Mr. N. N. Anklesaria, Pandit Satyendra Nath Sen, Sirdar Harbans Singh Brar, Sir Leslie Hudson, Sir Darcy Lindsay; Mr. A. H. Ghuznavi, Mr. Muhammad Anwar-ul-Azim, Dr. R. D. Dalal, Mr. D. N. Mukharji, the Honourable Sir Frank Noyce, and the Mover, with instructions to report within seven days, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. B. Das (Orissa Division: Non-Muhammadan): In the words of my Honourable friend, Mr. Jagan Nath Aggarwal, I may say that we are not discussing the philosophy of protection; we are discussing the philosophy of taxation.

An Honourable Member: Philosophy of destruction!

Mr. B. Das: During the Budget speech and on various other occasions, I have made it clear that excise duty has become a general feature of the taxation policy of the Government of India. Although I could not speak on the other Bill which was discussed with such vehemence for the last two days, whatever remarks I make on this Bill will also apply to the Sugar Excise Bill. I feel that excise duty has come to stay. The very fact that the House has sent the other Bill to a Select Committee shows that the House considers that excise duties should be collected by the Government to meet their general expenditure, but whether the excise duty that has been designed by the Government on matches or on sugar is ample or should be reduced is a subject which requires closer examination. As for the match industry, it has been represented in various quarters, I have heard it said that the excise duty is not good. I do not agree, because I find from the reports of the various Committees, including the Taxation Enquiry Committee and the Federal Finance Committee, that they have all approved of an excise duty on matches. But whether the Finance Member is entitled to purloin the resources that are left for the future Federal Government is a different question. My Honourable friend has touched those resources, and so I will register my protest that he is not today entitled to touch those resources.

I will now come to the merits of the case as to what should be the exact excise duty that should be applied to the match industry. I have seen statements,—particularly when the Federation of Indian Chambers was holding its annual meeting last week here,—some of my Bengali friends said that they would like that the small match factories which are operated by hand as a sort of cottage industry should be exempted from any excise duty. My Honourable friend, Mr. Ramakrishna Reddi, has recorded a protest in the previous Bill and has suggested that *khandsari* sugar should not be touched, and let me take this opportunity to say that I entirely

[Mr. B. Das.]

agree with Mr. Reddi and others who think like that, that *khandsari* sugar, where it is in the form of a cottage industry, should not be made to pay any excise duty. In the same way, I say that this match industry, where it is being manufactured as a cottage industry, should be exempted from the excise duty. It has also been represented to us that the system of taxation which my Honourable friend has designed will work hardship on the consumers. The Finance Member wants to design a match box with 80 splints. But that means that match boxes in the bazar will be sold at two pice per box.

Mr. A. Das (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): It is already being sold at two pice.

Mr. B. Das: That is my complaint, and it will also reduce the consumption of matches. In these days of economic depression, the poor man will not get a chance to buy the matches which he was buying for half a pice. So, it would be better if the Select Committee devised boxes of one, two or three sizes,—boxes of 40 splints, and boxes of 80 splints, and there may be a medium kind of box of 60 splints. My Honourable friend, Mr. A. Das, has said that matches are selling already in the bazar at two pice. I have not recently had an opportunity to buy matches, and I do not know the price. The other day I accused the Finance Member of a lack of sense of proportion in permitting the match manufacturers to work day and night and producing matches in such large quantities that the Finance Member will not collect any additional revenue from the match excise duty. In reply to my accusation he said that he did not believe that too much extra matches were being manufactured and stocked in the bazar, and that he would be able to collect the Rs. 2½ crores which he has estimated. My Honourable friend may think in that way; after a month, he will not be concerned with the Budget proposals of the Government or whether his successor would only find a paper estimate of Rs. 2½ crores, a moiety of which he will not be able to collect. But there is that danger which the Finance Member will have to face. Announcing the imposition of an excise duty, but postponing the date of collection to 1st April, has deteriorated the receipts of the Government, and these will deteriorate at every step throughout the Budget year.

One very important issue that has been brought into the scope of the present Bill is that the Indian States will be brought into collaboration. Knowing the past policy of these Indian States, knowing how it works and the serious accusations that are levelled against certain of these Indian States by my Honourable friends, Sir Cowasji Jehangir and Mr. Mody and others, that these Indian States, in the coasts of the Bombay Presidency, whenever they get the opportunity, allow the importers a rebate in import duties, I think that goods are sold at low prices. I do not know if the Honourable the Finance Member and the Government of India have so far discussed the subject in minute detail with the representatives of the States and whether the representatives of these Indian States will conform to the rules that will be made by the Government of India and the representatives of the States, and even if they agree on paper at a Conference in Delhi or Simla, what guarantee is

there that these Indian States will conform to the promise which they will give on paper? Have the Government of India any power or any method by which they can enforce the Indian States not to give rebate to the manufacturers of matches or even sugar in these Indian States, so that these Indian States will sell them at a low price and there will be undue profiteering? Not only that, but it will hit the manufacturers in British India. That is a point which the Government should not deal with lightly. It is not a political issue where the Finance Member will seek the advice of the Political Department. It is a purely economic issue. If, under the order of the Political Department or under the guise that the Political Department is to be controlled by the British Government, because the princes are allies of His Majesty the King, the Government of India do not devise rules to completely control the action of the Indian princes and their States in the matter of collection of excise duty, then, Sir, I think that this Bill will not result in any good, and the result which my friend anticipates in the collection of 2½ crores, which has already been nullified by the manufacture of excessive matches during the last one month, will be further nullified by the ingenious and dishonest method of working of Indian States who are manufacturing matches in Indian States and flooding the British Indian market with duty free matches, and that is a point on which this House would ask for assurance. It should not be left purely to the sweet consideration of the Indian States or the princes, but the Government of India should exercise their control and superintendence over these Indian States to see that they fulfil their obligations. Today there is no Federation, and no one knows what will be the position of these Indian princes five years hence when the Federation comes in, and who knows whether Federation will come in at all? At present, the Governor General in Council happens to be the master of these princes and their over-lord. Why should the Government of India today be so chary as not to exercise that control and allow the princes to do anything they like as they have permitted the princes in Kathiawar States, particularly the Jamnagar prince to do anything he likes in the matter of giving rebate in the Jamnagar ports?

As the House is again discussing the duty on matches, recollection brings me back to the report of the Tariff Board on the protection of the match industry in which Sir Padarnji Ginwalla wrote that minute of dissent and that excellent note on match manufacture. I want to take this opportunity to ask the Government what they have done during these two or three years to give effect to those suggestions. It was given out in the Press that the Swedish match combine, which is at present run with foreign capital, gave a certain undertaking to Government. I should like the Honourable the Finance Member to tell us what has been done to see that that undertaking is fulfilled. Then, there is another thing. In all protective measures, this House has insisted, in accordance with the report of the External Capital Committee, that the company's capital should be rupee capital and that 75 per cent. of the directorate should be Indian. This point was stressed very much when this House gave protection to the Indian paper industry. I am not discussing the discrimination against British capital. I ask the Treasury Benches to recollect the minute of dissent I wrote in the case of the Sugar Protection Bill where I said that I had nothing to say about the investment of British capital, as that matter was under discussion in the Round Table Conference which was adorned and graced at the time by my Honourable friends, Diwan Bahadur Ramaswami Mudaliar and Sir Cowasji

[Mr. B. Das.]

Jehangir. I am not discussing that, but I am discussing whether the Government of India have any definite policy against the investment of foreign capital in India, and, when an industry receives protection, under the protective policy of the Government of India, whether they can insist on that industry to convert its capital into rupee capital and to have a large number of Indian directors. I have heard it said and I believe it is true that the Swedish Match Combine has given certain assurances to the Government. I will instance the case of the salt industry. There is that Italian firm in Aden which is taking advantage of this two annas six pies protective duty on salt and importing a very large quantity of salt to India and which offends the susceptibilities of my friends from Karachi, Mr. Lalchand Navalrai and Seth Haji Abdoola Haroon, but the Government of India were very much frightened, not only by the British Chambers of Commerce, but they are somewhat frightened of the foreign capital investments in the Indian Empire. They have not devised, so far, any means by which they can control foreign capital investments in British India. When we were considering that Sugar Protection Bill and you, Sir, were the Chairman of that Select Committee, you gave us ample opportunity to discuss this subject, but on another Committee, the Textile Protection Select Committee, Sir, we had not the privilege to discuss the subject fully in a similar fashion and for which I have appended a long minute of dissent. I have no quarrel with the Honourable the Law Member who was the Chairman of that Select Committee and we thought that certain matters could not be discussed in the Select Committee, but, Sir, you who served on the first Select Committee of the first protective measure in 1924—the steel industry measure—knew the Fiscal Commission's report thoroughly or line by line and you knew the policy with which the Government of India designed their protective measure and you gave us ample latitude in 1932. Sir, we discussed very much this morning the question whether sugar was coming from Java and we discussed in 1932 whether these Java planters would not transplant their plant and machinery and manufacture sugar in India and whether it was not right and fair, and it is still not right and fair that the Government of India should devise some means of control of the investment of such foreign capital. Sir, I wrote a minute of dissent, and I will just read it out. It is a minute of dissent appended to the Select Committee's report on the Bill to provide for the fostering and development of the sugar industry in British India, with the Bill as amended, in the year 1932-33, about the policy towards the investment of foreign capital in India:

"As long as we are working under the present constitution it is idle to think of discrimination within the British Empire. I am for empire reciprocity with consent of respective Dominions concerned inside the British Empire."

Well, Sir, my attitude, I will say, towards the dominions has changed, as I find their attitude towards India has not changed a bit, and they are still insolent and insulting towards India.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhamadan Urban): Do they know that your attitude has changed?

Mr. B. Das: It is for the Government of India to let them know that the attitude of British India has changed. (Hear, hear.)

"If that assurance would be given, our European colleagues in the Central Legislature would gladly join issue with us to control foreign investment in India, similar to the case we apprehend in the case of sugar industries. I must draw attention of the

Legislature to the menace of the foreign capital and control to Indian industries. The Legislature and the Government should particularly watch cases where the Government grant concessions to particular industries. Already the electric industry in Bombay have been controlled by Americans. The protection to match industries brought in the Swedish combine. At present Government exercise no control over these foreign investors. There is further menace from America and the continent to our steel industry and the shoe industry. There is menace to our Cotton Mill Industry from Japan and Germany. Is it not high time that the Government should legislate for every individual case if they cannot at present introduce general legislation to protect industries in India in the interest of India?"

Sir, my Honourable friend, Mr. Mody, is not present here, but his heart would have been gladdened to hear what I have read out just now—Sir, I thought of the cotton mills of Bombay when I wrote that minute of dissent in 1932. Sir, I gave in another paragraph a method of licensing of all industries, whereby Government could control every industry and thereby exercise a check whether the capital is foreign capital or rupee capital; but, at that time, Sir George Rainy, who was a member of that Select Committee, thought that we might be too much discriminating and the time was not ripe that we could raise that big issue under the cloak of this Sugar Protection Bill. Sir, here is another occasion. Government had ample time to know the mind of the non-officials on this side, and, as far as I know, they have their sympathy with us and they are again bringing in a measure on matches before the House. Is it not right that they should so legislate that the foreign investment in India should be converted into rupee capital and insist on that by a method of licensing or by some other method—I would leave it to the Select Committee and also to the very ingenious brain of the Honourable the Finance Member to devise that method of control. Sir, the External Capital Committee's report recommended that there should be a minimum number of Indian apprentices trained in these industries. Sir, the Swedish Match Combine received ample time and has captured the whole of the market,—I think sixty to seventy per cent of the Indian market. May we not ask to know whether Indians are being trained by them and Indians are being employed by them in high offices, or whether Indians work simply as coolies in these factories, and is it not the case that men from Sweden and Germany are ruling the affairs of the various firms that are controlled by the Swedish Match Combine in India? Sir, Government are always in a hurry. They have no time to bring out effective measures that will benefit India and Indians. My Honourable friend wants taxes and he wants us to give him permission to levy an excise duty. I have a certain sympathy with him. Whether the excise duty he wants, namely, Rs. 2-4-0 is proper or it should be reduced to a certain extent, that is for the Select Committee to examine minutely and in detail, but I feel that it ought to be reduced slightly. That, however, is a different issue. Sir, for purposes of taxation, Government are in a hurry. They make us sit through the night, even up to two o'clock, to pass taxation measures, but why does not the Honourable the Finance Member or the Honourable the Commerce Member bring out a Bill whereby industries that are protected and are receiving concessions from India should be so controlled that they work for the benefit of India?

A few minutes ago, the Honourable the Finance Member laid down the law, from his own experience in the City of London, that industries should not expect any profit above ten per cent and that he would like to see the profits remain at five or six per cent. I think by this match industry

[Mr. B Doss.]

they are making more profit, and when foreign capital invested in India makes more profit at the cost of India and Indians, is it not the duty of the State to insist that part of that money is returned to the State and part of the experience—technical and commercial—is returned to the people of India, and the industry so arranges its working that Indian technical men, Indian labour and even Indian directors enjoy the maximum amount of benefit? Sir, I do hope that the Select Committee will examine this aspect of the question and will be able to devise other clauses in the present Match Bill so that the Government will be forced to apply their mind and license the match factories in India and control them for the benefit of India.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 4th April, 1934.

LEGISLATIVE ASSEMBLY.

Wednesday, 4th April, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

IMPORTATION OF FOREIGN RICE.

604. ***Mr. B. Sitaramaraju:** Will Government be pleased to state whether they propose to take immediate action against the importation of foreign rice, and, if so, what steps they propose to take? If it is not proposed to take any action, will Government be pleased to state the reason therefor?

Mr. G. S. Bajpai: The attention of the Honourable Member is invited to the reply given by me on the 28th March, 1934, in reply to the short notice question on the subject asked by Diwan Bahadur A. Ramaswami Mudaliar.

Mr. B. Sitaramaraju: Has the Honourable Member anything more to add?

Mr. G. S. Bajpai: I am afraid not just now.

TERMINATION OF CONTRACTS OF VENDORS IN THE DINAPUR DIVISION OF THE EAST INDIAN RAILWAY.

605. ***Pandit Satyendra Nath Sen:** (a) Is it a fact that vendors in the Dinapore Division of the East Indian Railway received notice from the Divisional Superintendent during the latter part of February, 1934, that their contracts were to terminate shortly—some on the 25th March, some on the 1st April and some on the 10th April, 1934?

(b) What is the reason for this sudden termination of contracts? Was there any recommendation from the Local Advisory Committee? If so, what?

(c) What is the number of vendors affected and by whom are they going to be replaced?

(d) Have the Railway Board received any representation on the subject? If so, when and what action has been taken by them?

Mr. P. R. Rau: (a) I understand that the facts are generally as stated, though Government are not in possession of detailed information in regard to the particular dates on which the several contracts will terminate.

(b) So far as I gather, the Railway Administration proposes to avoid a multiplicity of small contractors at the various stations and instead to grant to one contractor the vending contracts for all sales at a large station, to include an area of, say, 25 to 30 miles from that station, there being, of course, separate Hindu and Muhammadan food vendors at each station. The proposed policy appears to have been explained to, and accepted generally by, the East Indian Railway Local (Calcutta) Advisory Committee.

(c) Government have no information.

(d) Certain representations were received by the Railway Board in March, 1934. As these arrangements are entirely within the competence of the Railway Administration to settle finally, the representations were forwarded to the Agent, East Indian Railway, for disposal. The Agent has reported that he is considering the question.

Mr. M. Maswood Ahmad: Will Government be pleased to state whether these contracts have been given to the contractors in accordance with the recommendation of the Local Advisory Committee?

Mr. P. R. Rau: As soon as this matter was brought to my notice personally by two Honourable Members of this House, I brought it to the notice of the Agent, East Indian Railway, who was at the time in Delhi, and he has promised to look into the matter and let us know later on. I am not now in a position to give any further information on the point.

Mr. M. Maswood Ahmad: May I know whether this matter was referred to Sir Hanuway, the Agent of the East Indian Railway, who referred the matter to the Divisional Superintendent, Dinapur Division, where the telegram was received on the working day, but no step was taken on that telegram for three days.

Mr. P. R. Rau: Until I have received the report from the Agent, East Indian Railway, I am not in a position to give any further information on this question.

Pandit Satyendra Nath Sen: Is it not a fact that the recommendation of the Local Advisory Committee was that one contract should be given for each 25 to 30 miles area?

Mr. P. R. Rau: That seems to be so.

Pandit Satyendra Nath Sen: Is the Honourable Member aware, that the Agent, East Indian Railway, telegraphed to the Divisional Superintendent and told him that if it was correct that vending contracts for two areas were being given to one man, he should postpone further action pending consideration of his report by the Agent?

Mr. P. R. Rau: I am not aware.

Maulvi Muhammad Shafee Daoodi: Does the Honourable Member know that the monopoly in such cases will react to the detriment of the travelling public?

Mr. P. R. Rau: That is a point of view which the Railway Administration will undoubtedly take into consideration.

Dr. Ziauddin Ahmad: May I draw the attention of the Honourable Member to the discussion in the Central Advisory Committee where it was expressed that contract should be given, as far as possible, locally and that this question of sub-contracts should be avoided in the interests of good food and cheap food?

Mr. P. R. Rau: I have already drawn the attention of the Agent, East Indian Railway, to the opinion expressed in the Central Advisory Committee to that effect.

TROUBLE WITH THE POLITICAL PRISONERS IN THE CELLULAR JAIL, ANDAMANS.

606. ***Mr. S. C. Mitra:** Will Government be pleased to state if it is a fact that there was again some trouble with the political prisoners in the Cellular Jail, Andamans? If so, how and when did the trouble occur?

The Honourable Sir Harry Haig: There has been no trouble since the close of the hunger-strike last year.

WITHDRAWAL OF THE PRIVILEGE OF COMMUNICATION FROM THE POLITICAL PRISONERS IN THE CELLULAR JAIL, ANDAMANS.

607. ***Mr. S. C. Mitra:** Is it also a fact that the privilege of communication with relatives was withdrawn from the political prisoners in the Cellular Jail, in December last? If so, why and for how many months? If not, are Government in a position to state why none of the relatives in Bengal received any communication from any of those prisoners during December, 1933, and January, 1934?

The Honourable Sir Harry Haig: The answer to the first part of the question is in the negative. I have no information to the effect that none of the relatives of the prisoners received any communication from any of the prisoners during the months of December and January, but I am aware that there have been considerable delays in the delivery of letters written by the prisoners. The matter has been taken up with the Local Government.

SEGREGATION OF CERTAIN PRISONERS IN THE CELLULAR JAIL, ANDAMANS.

608. ***Mr. S. C. Mitra:** (a) Is it a fact that Drs. Narayan Chandra Ray, Bhupal Chandra Bose, and Sunil Chatterjee, prisoners in the Cellular Jail, are kept segregated from other prisoners? If so, why?

(b) Is there any chance of Dr. Bhupal Chandra Bose's early removal to an Indian jail?

The Honourable Sir Harry Haig: (a) The answer is in the negative.

(b) I am not aware of any such proposal.

CERTAIN FACILITIES TO DIVISION III PRISONERS IN THE ANDAMANS.

609. ***Mr. S. C. Mitra:** (a) Are the Division III prisoners in the Andamans supplied with tooth-powder and writing materials?

(b) How long are lights supplied to the prisoners in the cells at night?

(c) Is it a fact that they are kept burning till 10 P.M. only?

The Honourable Sir Harry Haig: (a) Class C prisoners are supplied with necessary materials for writing letters. They are permitted to purchase other writing materials and tooth-powder at their own expense.

(b) and (c). Till 10 p.m.

GENERAL CONDITION OF THE HEALTH OF PRISONERS IN THE CELLULAR JAIL, ANDAMANS.

610. ***Mr. S. C. Mitra:** (a) What is the general condition of the health of the prisoners in the Cellular Jail at present?

(b) Is there any one of the prisoners suffering from any disease? If so, how many and from what diseases?

(c) What arrangements exist for the medical treatment of the sick prisoners?

(d) Is there any hospital attached to the Cellular jail? If so, how many beds are there?

(e) Is there any kitchen attached to the hospital? If not, what is the arrangement for preparing diet for the sick prisoners?

The Honourable Sir Harry Haig: (a) The general condition of the health of the prisoners is good.

(b) At the time when Mr. Sloan visited Port Blair, one of the prisoners was suffering from tuberculosis. That prisoner has since been returned to Bengal. None of the other prisoners was suffering from any serious disease.

(c) and (d). There is a well-equipped hospital which can accommodate fifty beds.

(e) The diet for the sick prisoners is prepared in the hospital kitchen.

PRESENT CONDITION OF THE HEALTH OF S.J. BIDHU BHUSAN SEN, A POLITICAL PRISONER IN THE CELLULAR JAIL, ANDAMANS.

611. ***Mr. S. C. Mitra:** (a) What is the present condition of the health of S.J. Bidhu Bhusan Sen, a political prisoner in the Cellular Jail?

(b) Will he be soon transferred to an Indian jail?

(c) Is it also a fact that the climate of the Andamans is responsible for the breakdown of his health?

(d) Has he been suffering from any disease? If so, from what disease, and for how many months?

The Honourable Sir Harry Haig: (a), (b), (c) and (d). This prisoner was returned to Bengal on February 21, 1984, because he was suffering from tuberculosis.

TRANSFER OF TWO PRISONERS FROM THE ANDAMANS TO THE ALIPORE CENTRAL JAIL.

612. *Mr. S. C. Mitra: (a) Is it a fact that two prisoners were brought back to the Alipore Central Jail from the Andamans in December last? If so, why and on what date?

(b) Will Government please state the names of those two prisoners?

The Honourable Sir Harry Haig: With your permission, Sir, I shall answer questions Nos. 612 and 613, together. S. K. Bose and P. K. Mazumdar were returned to Bengal on December 20, 1933, on medical grounds.

TRANSFER OF PRISONERS SATYA KUMAR BOSE AND PRAFULLA KUMAR MAZUMDAR TO THE ALIPORE CENTRAL JAIL.

†613. *Mr. S. C. Mitra: Is it a fact that prisoners Satya Kumar Bose and Prafulla Kumar Mazumdar got serious illness in the Cellular Jail and that that necessitated their removal to the Alipore Central Jail?

PRISONERS CONVICTED OF POLITICAL OFFENCES SENT TO THE ANDAMANS.

614. *Mr. S. C. Mitra: Will Government please state:

- (i) how many prisoners convicted of political offences have been sent to the Andamans since 1932;
- (ii) how many amongst them died of illness; and
- (iii) how many were brought back to India for reasons of ill-health?

The Honourable Sir Harry Haig: (i) If by "political offences" the Honourable Member means offences connected with terrorism, the number is 169. No prisoners convicted of offences connected with civil disobedience have been sent to the Andamans.

(ii) 3.

(iii) 5.

INQUIRY MADE BY THE DEPUTY SECRETARY, HOME DEPARTMENT, FROM THE POLITICAL PRISONERS IN THE CELLULAR JAIL, ANDAMANS.

615. *Mr. S. C. Mitra: Will Government please state if, during his recent visit to the Andaman Islands, Mr. T. Sloan, Deputy Secretary of the Home Department, tried to know from the political prisoners in the Cellular Jail anything about their present condition? If so, what did the prisoners represent to him?

The Honourable Sir Harry Haig: Mr. Sloan visited the Cellular Jail and saw the conditions for himself. The prisoners made certain representations to him, some of which are at present receiving consideration.

CONSTITUTION OF A CENTRAL BOARD AT ARMY HEADQUARTERS FOR RECOMMENDING WITHDRAWAL OF CERTAIN OFFICERS.

616. *Mr. M. Maswood Ahmad: (a) Will Government please state whether they contemplate constituting a Central Board at Army Headquarters for the purpose of recommending the names of those officers who

†For answer to this question, see answer to question No. 612.

are to be compulsorily withdrawn from the Indian Army under the War Block Scheme?

(b) If the answer to part (c) above be in the affirmative, will Government please state the names of the members who will constitute the Board?

(c) What procedure will be adopted by the Board for the selection of the personnel for compulsory retirement?

(d) On what terms is it proposed to retire these officers?

(e) How much will it cost Government for (i) the expenses of this Board, and (ii) giving effect to the recommendations of the Board?

(f) What will eventually be the saving in the Army Budget as a result of the acceptance of the Board's recommendation and subsequent retirement of the Army Officers?

Mr. G. R. F. Tottenham: I would invite the Honourable Member's attention to the statement that I made on this subject in the course of my speech on the Army Department vote on March 6th. Final decisions have not yet been reached, and I have nothing to add to that statement.

SURPLUS SILVER IN THE POSSESSION OF THE GOVERNMENT OF INDIA.

617. *Mr. M. Maswood Ahmad: (a) Is it a fact that there is a large stock of silver in the possession of the Government of India, which is surplus to their requirements?

(b) Is it intended to dispose of this silver? If so, in what manner?

(c) What will be the gain or loss in rupees to Government after this transaction?

(d) Will Government please state the quantity and value in rupees of this surplus silver?

The Honourable Sir George Schuster: (a), (b) and (d). I would refer the Honourable Member to the speech which I made in this House on the 21st of November, 1933, in proposing the ratification of the Silver Agreement and also to the memorandum recorded in the proceedings of the Standing Finance Committee for the 12th of March, 1934, with regard to the disposal of the surplus silver to be retained by Government when the Reserve Bank is created.

(c) This depends on the price of silver at the time when the sales are effected.

GRANT OF THE STATUS OF A SECRETARIAT OFFICE TO THE POSTS AND TELEGRAPHS DIRECTORATE.

618. *Mr. D. K. Lahiri Chaudhury: (a) Will Government please define an Attached Office as distinct from a Secretariat Office of the Government of India, and in doing so explain the nature and standard of work that is required of the ministerial staff of the former as against the latter?

(b) Will Government also state if the work done in, and by the ministerial staff of, the Posts and Telegraphs Directorate is in any way inferior in quality to that done in Secretariat Offices?

(c) If the answer to part (b) be in the affirmative, will Government please explain the difference in the quality of work required as between the Posts and Telegraphs Directorate on one side and the Secretariat Offices referred to on the other?

(d) If the answer to part (b) be in the negative, do Government propose to grant the status of a Secretariat Office to the Posts and Telegraphs Directorate and treat it as a Branch of the Industries and Labour Department Secretariat? Is it a fact that the Posts and Telegraphs Directorate now transacts business in the same way as any other Branch of the Industries and Labour Department Secretariat in its relation to the Secretary and Honourable Member in charge of the Department?

The Honourable Sir Frank Noyce: (a), (b) and (c). A Secretariat office is one directly under the charge of a Secretary to the Government of India, while an Attached Office, such as that of the Posts and Telegraphs Department, is one attached to a Secretariat Office, but working directly under the Head of a particular Department. Generally speaking, more important and more complicated questions connected with the higher administrative functions of the Government of India have to be dealt with in the Secretariat than those handled in an Attached Office. Accordingly, the standard of work required of assistants and clerks (other than routine clerks) in the Secretariat is generally higher than that expected in an Attached Office.

(d) The first part does not arise in view of the reply just given. As regards the second part, the fact is substantially as stated.

QUALIFYING EXAMINATION OF RECORD SUPPLIERS HELD IN THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

619. *Mr. D. K. Lahiri Chaudhury: (a) Is it a fact that a qualifying examination of Record Suppliers was held in the office of the Director General of Posts and Telegraphs, New Delhi, on the 7th May, 1931, at which 14 candidates duly qualified themselves for the posts of Lower Division Clerks?

(b) If the answer to part (a) be in the affirmative, are Government prepared to direct the Director General, Posts and Telegraphs, to promote them to the Lower Division Clerkship? If not, why not?

(c) Is it a fact that a proposal was made by the Director General for the transfer of the qualified Record Suppliers to the Postal Circles in the Lower Division Clerkship if there were no room for them in his own office? If so, what action do Government propose to take in the matter which has remained unsettled for about three years?

(d) Is it a fact that some of the Record Suppliers have been recommended for promotion to the Lower Division Clerkship during the inspection of the office of the Director General of Posts and Telegraphs by Rai Bahadur J. P. Ganguli?

(e) Is it a fact that the Record Suppliers of all Postal Circles, who are of the same status as the Record Suppliers of the office of the Director General of Posts and Telegraphs, have been promoted to the Lower Division Clerkship? If so, what action do Government propose to take in the case of the Record Suppliers of the Director General's office?

The Honourable Sir Frank Noyce: (a), (b) and (c). The facts are that in 1931, it was suggested by the Director-General, Posts and Telegraphs, that as it was not possible to give the record suppliers of the Director-General's office a higher scale of pay than Rs. 20—1—40, which was the scale sanctioned for this class of employees in the Attached Offices of the Government of India, an attempt should be made to improve their prospects by drafting such of them as were considered fit for clerical duties to circle offices, since, owing to a reduction of staff in the office of the Director-General, there were no prospects of promoting these men to the clerical cadre in that office. A simple examination was held to test the fitness of the men who offered themselves for such appointments and 14 men were considered as qualified. The proposal to transfer the men, who had qualified in the examination referred to, to posts in the Lower Division clerical cadre of Postal Circles, was not, however, approved by the Government of India, as it was at that time considered that recruitment for this cadre from men already in service should be confined to men of the postmen class actually serving in the Circles. Nor was it possible to accommodate the men in the office of the Director-General, Posts and Telegraphs, as from April 1st, 1930, that office was declared an Attached Office of the Government of India and no such Lower Division posts were sanctioned for Attached Offices. The question of providing for the men in Lower Division posts in Postal Circles will, however, again be examined.

(d) The fact is that in 1928, Rai Bahadur J. P. Ganguli, who investigated the strength of the Director-General's office, suggested that several of the record suppliers should be in the proposed 'C' class or Lower Division clerical scale. But as explained in the reply to parts (a), (b) and (c) above, this class of clerks was not introduced in the Director-General's office.

(e) In Postal Circles, posts of record-suppliers who are engaged in semi-clerical duties were included in the Lower Division clerical time-scale of the locality concerned and the incumbents of the posts in question got the benefit of that scale. For reasons stated in my reply to parts (a), (b) and (c) above, the record-suppliers of the Director-General's office were given the scale of pay obtaining in the Attached Offices of the Government of India and were designated record-lifters. In these circumstances, Government do not consider it necessary to take any further action in this respect. As stated in the reply to parts (a), (b) and (c) above, the question of the transfer of the qualified record-lifters to Postal Circles will receive consideration as a special case.

FILLING UP OF TEMPORARY VACANCIES OF SECOND DIVISION CLERKS FROM AMONG THE RECORD SUPPLIERS IN THE OFFICE OF THE DIRECTOR GENERAL, POSTS AND TELEGRAPHS.

620. *Mr. D. K. Lahiri Chaudhury: Will Government be pleased to state what procedure is followed in filling up the temporary vacancy in the Second Division Clerkship from among the Record Suppliers in the office of the Director General of Posts and Telegraphs? Is it at the sweet will of some one, or is there some definite procedure?

The Honourable Sir Frank Noyce: Temporary vacancies in the Second Division of the clerical cadre of the office of the Director-General, Posts and Telegraphs, which is an Attached Office of the Government of India, are filled in accordance with the orders issued by the Home Department for

recruitment to the ministerial establishment of the Government of India Secretariat and Attached Offices. Record lifters are not ordinarily eligible for employment in the clerical cadre of that office, but in exercise of the discretion vested in him by the Home Department orders, the Director-General has selected three suitable record-lifters in his office to fill temporary vacancies till such time as qualified candidates are supplied by the Public Service Commission.

PENSION OF RECORD SUPPLIERS AND DUFFRIES IN THE GOVERNMENT OF INDIA OFFICES.

621. *Mr. D. K. Lahiri Chaudhury: Is it a fact that the Record Suppliers and Duffries of all Government Secretariat Offices draw half pension at the time of their retirement? If so, why do not the Record Suppliers and Duffries of all Government attached and subordinate offices draw half pension at the time of their retirement?

The Honourable Sir George Schuster: Yes; subject to certain maxima. The question of the revision of the pension of record sorters and daffaries in the Government of India Attached and Subordinate offices will be considered along with the main scheme of revision of pensions of inferior servants as a whole which has had to be postponed until the financial position improves.

INTRODUCTION OF INDIAN DINING CARS ON CERTAIN EXPRESS TRAINS ON THE GREAT INDIAN PENINSULA RAILWAY.

622. *Mr. K. P. Thampan: Will Government be pleased to state:

- (a) whether on the Peshawar Express Train 197 Down and 198 Up on the Great Indian Peninsula Railway, there are no Indian dining cars while the same trains between Delhi and Peshawar on the North Western Railway line are provided with such cars;
- (b) whether the Bombay, Baroda and Central India Railway authorities have provided Indian dining cars on their Railway between Bombay and Delhi;
- (c) whether there has been an agitation on the part of the public to introduce Indian dining cars on 197 Down and 198 Up Express trains; and
- (d) whether they propose to consider the desirability of asking the Great Indian Peninsula Railway authorities to introduce Indian dining cars on these Express trains forthwith; if not, why not?

Mr. P. R. Rau: (a) Yes.

(b) Two compartments—not dining cars—are reserved for Hindu and Muhammadan catering on Nos. 19 Down and 20 Up Delhi Expresses, between Bombay and Delhi.

(c) Government have received no representations on the subject in recent years.

(d) I am sending a copy of this question to the Agent, Great Indian Peninsula Railway, to consider the suggestion.

**POSTING OF CHARTS SHOWING THE DIFFERENT ROADS AND THEIR DIRECTIONS
AT CERTAIN PLACES IN NEW DELHI.**

623. *Mr. S. G. Jog: (a) Is it not a fact that in New Delhi at various places, such as Windsor, Alexandra, York and others, large sized maps or charts were posted showing the different roads and their directions?

(b) Are Government aware that these maps were of great use and convenient to people living in New and Old Delhi as well as to outsiders?

(c) Are Government aware that the said maps are not to be found in those places now?

(d) Will Government please state why they have been removed?

(e) Are Government prepared to consider the desirability of having these boards posted again at the various places?

Mr. G. S. Bajpai: (a) Yes.

(b) Government are gratified to hear this.

(c) Yes.

(d) Owing to the increase in the number of roads since these maps were prepared, they had become out of date and expenditure on revising them was considered to be unjustified in the prevailing financial stringency.

(e) Government will draw the attention of Municipal authorities to the Honourable Member's suggestion.

**GRANT TO THE BENARES HINDU UNIVERSITY FOR RESEARCH IN PLANT
PHYSIOLOGY.**

624. *Mr. S. G. Jog: (a) Are Government aware that the Benares University has established an Institute of Agricultural Research as its branch?

(b) Are Government aware that the said University, or its institute, applied to the Imperial Council of Agricultural Research for a grant for research in plant physiology?

(c) Will Government please state the amount of grant sanctioned, if any, and whether it has been paid or not? If it has not been paid, do Government propose to expedite payment?

(d) Are Government prepared to consider the desirability of making a more substantial grant?

Mr. G. S. Bajpai: (a) and (b). Yes.

(c) The application for the grant was not accepted by the Imperial Council of Agricultural Research.

(d) Does not arise.

**ALLEGED MALADMINISTRATION OF THE LAHORE GOVERNMENT TELEGRAPH
OFFICE.**

625. *Maulvi Muhammad Shafee Daoodi: (a) Is it a fact that the Muslim Right Protection Board, Punjab, had recently brought to the notice of the Director General, Posts and Telegraphs, and the Postmaster General, Punjab Circle, the maladministration of the Lahore Government Telegraph Office and the hostile attitude of the present Superintendent in charge thereof towards Muslim subordinates? :

(b) Will Government please state if the allegations contained in the communication referred to above have been investigated? If so, with what result?

(c) If the reply to part (b) is in the negative, do Government propose to order an independent enquiry into the matter to allay the feelings of the Muslim subordinates?

The Honourable Sir Frank Noyce: (a) A telegram was received by Government in October, 1933, containing general allegations of hostility to Muslim subordinates on the part of the Superintendent, Central Telegraph Office, Lahore. This was brought to the notice of the Director-General of Posts and Telegraphs who did not receive a separate communication on this subject.

Government have no information whether a similar communication was also received by the Postmaster-General, Punjab and North-West Frontier Circle.

(b) The result of the investigations made by the Director-General in regard to the allegations was that complaints were received by the local authorities from only one Muslim member of the staff of the Telegraph office. As this member was entitled to represent any grievance he had in the usual way through the appropriate official channel, the Director-General decided that no action was called for.

(c) Does not arise in view of the reply to part (b) of the question.

Mr. M. Maswood Ahmad: Have Government inquired from the Post Master General whether he has got any representation in this matter?

The Honourable Sir Frank Noyce: No, Sir, it was not necessary to do so in view of the fact that the representation received by the Government of India was sent to him for investigation. It did not matter whether he received a similar communication or not. He went into the substance of the communication received, and that was obviously sufficient.

Mr. M. Maswood Ahmad: Do Government expect any reply from the Post Master General on the representation which they sent to him?

The Honourable Sir Frank Noyce: I am afraid my Honourable friend did not hear my reply to the question. The communication we received was duly sent to the Post Master General for investigation. The Director-General himself had no other means of obtaining information except through the Post Master General.

Maulvi Muhammad Shafee Daoodi: Will the report be placed before the House?

The Honourable Sir Frank Noyce: No, Sir.

Maulvi Muhammad Shafee Daoodi: May I know why?

The Honourable Sir Frank Noyce: It is a departmental communication, and it is not desirable that it should be placed on the table of the House.

Maulvi Muhammad Shafee Daoodi: Will the conclusion to which the Department will come be placed before the House?

The Honourable Sir Frank Noyce: No, Sir. It has been given in the reply to the question.

Dr. Ziauddin Ahmad: Is it expected that the Post Master General will reply to the Director-General about this letter?

The Honourable Sir Frank Noyce: I would again refer the Honourable Member to the reply I have given to part (b) of the question:

"The result of the investigations made by the Director-General in regard to the allegations was that complaints were received by the local authorities from only one Muslim member of the staff of the Telegraph Office."

That information was obviously obtained from the Post Master General, and, therefore, the Director-General must have had a reply from the Post Master General.

RULES FOR THE PROMOTION OF PASSENGER DRIVERS TO MAIL DRIVERS ON STATE RAILWAYS.

626. *Lieut.-Colonel Sir Henry Gidney: (a) Will Government please state the rules governing the promotion of passenger drivers to mail drivers on the various State Railways?

(b) Is it a fact that the drivers, who were covenanted on the East Indian Railway from England in 1921 or 1922, have from time to time been promoted to mail drivers superseding locally recruited drivers in the passenger grade who have been awaiting promotion to the next grade?

(c) If the answer to part (b) be in the affirmative, will Government please state the reason for such promotion and supersession?

(d) Do Government propose to discontinue such practice on all the State Railways? If not, why not?

Mr. P. R. Rau: With your permission Sir, I propose to reply to questions Nos. 626 to 631 together. I have called for information, and will lay a reply on the table of the House in due course.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House when he will have collected this information?

Mr. P. R. Rau: I am unable to prophesy.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member consider ten days too little for this inquiry?

Mr. P. R. Rau: Certainly, Sir.

SURPLUS POSTS IN THE OFFICE OF THE DEPUTY CHIEF COMMERCIAL MANAGER, CLAIMS, EAST INDIAN RAILWAY.

†627. *Lieut.-Colonel Sir Henry Gidney: (a) Is it a fact that the Deputy Chief Commercial Manager, Claims, East Indian Railway, had several surplus posts on his office establishment in 1933?

(b) If the reply to part (a) be in the affirmative, were the following posts, among others, surplus:

(i) one post in grade Rs. 280—20—500, and

(ii) one post in grade Rs. 400—20—500?

†For answer to this question, see answer to question No. 626.

(c) Is it a fact that while there were surplus posts in this office, the Agent, on the recommendation of the Deputy Chief Commercial Manager, Claims, sanctioned two new posts in 1933, namely:

(i) one post graded Rs. 170—218, and

(ii) one post graded Rs. 160—220?

(d) If the answer to part (c) be in the affirmative, will Government be pleased to state whether these two posts have been examined in the course of the Job Analysis?

POSTS DECLARED SURPLUS BY THE CHIEF COMMERCIAL MANAGER, CLAIMS, EAST INDIAN RAILWAY.

†628. ***Lieut.-Colonel Sir Henry Gidney:** (a) Is it a fact that as a result of the Pope Committee's Job Analysis, several posts were declared surplus in October, 1933, by the Chief Commercial Manager, Claims, East Indian Railway?

(b) If the reply to part (a) be in the affirmative, what amount per annum will be saved by the retrenchment of these surplus posts in the Claims office?

(c) Has any post in the highest subordinate grade of that office (Rs. 400—20—500) been declared surplus?

(d) Have any staff affected by these findings been brought under retrenchment either by demotion or discharge?

(e) Will demotions and discharges due to the retrenchment of these surplus posts in the Claims Office be regulated by the instructions issued to Agents by the Railway Board in a letter No. 381-L., dated the 19th August, 1932?

SENIORITY OF SUBORDINATES OFFICIATING IN THE TRANSPORTATION INSPECTOR'S GRADE ON THE EAST INDIAN RAILWAY.

†629. ***Lieut.-Colonel Sir Henry Gidney:** With reference to their reply to starred question No. 1017, dated the 18th September, 1933, will Government please state how seniority is to be decided between subordinates who are officiating in the Transportation Inspector's grade on the East Indian Railway?

RATES AND CLAIMS OFFICES OF THE COMMERCIAL DEPARTMENT ON THE EAST INDIAN RAILWAY.

†630. ***Lieut.-Colonel Sir Henry Gidney:** (a) Is it a fact that the Rates and Claims offices of the Commercial Department of the East Indian Railway are considered as one unit for the demotion of subordinate staff?

(b) Are they also considered as one unit for the promotion of the subordinate staff?

(c) Are the subordinate posts in those offices interchangeable, *e.g.*, can the services of a Rates Clerk be utilised as a Claims Clerk and *vice versa*?

†For answer to this question, see answer to question No. 626.

FILLING UP OF VACANCIES IN ONE DIVISION ON THE EAST INDIAN RAILWAY FROM OTHER DIVISIONS.

†631. ***Lieut.-Colonel Sir Henry Gidney:** (a) With reference to their reply to starred question No. 1356, dated the 11th December, 1933, will Government please state whether vacancies in any one Division on the East Indian Railway must be filled by employees in that Division to the exclusion of other suitable employees working in

(i) other Divisions, and

(ii) in the Head Office at Calcutta?

(b) If the answer to parts (a) (i) and (a) (ii) be in the negative, will Government please state which posts are to be filled from among the employees of the several Divisions and the Head Office staff?

DEPUTATION TO THE RAILWAY BOARD REGARDING THE RATIO OF POSTS TO BE HELD BY THE EAST INDIAN RAILWAY AND OLD OUDH AND ROHILKHAND RAILWAY OFFICERS.

632. ***Lieut.-Colonel Sir Henry Gidney:** (a) Is it a fact that Government (Railway Board) received a deputation of officers from the East Indian Railway in September, 1932, regarding the ratio of posts to be held by

(i) East Indian Railway (Company) officers, and

(ii) East Indian Railway (Old O. & R.) officers?

(b) Has a ratio between these two categories been established? If so, what is it?

(c) Will this ratio be observed in respect of promotions from the subordinate to the official grades? If not, why not?

(d) What is the present ratio of East Indian Railway (Company) and East Indian Railway (Old O. & R.) permanent and officiating officers employed in

(i) the Chief Commercial Manager's office,

(ii) the Agency,

(iii) the Chief Operating Superintendent's office,

(iv) the six Divisions separately, and

(v) the Chief Engineer's office?

Mr. P. R. Rau: (a) On the 1st October, 1932, the Railway Board received a deputation of East Indian Railway officers in connection with the question of the relative seniority of officers of the late East Indian Railway Company and the old Oudh and Rohilkhand Railway.

(b) The original arrangements were that in selecting officers of the old East Indian Railway cadre and the State Railway cadre for substantive promotion from the junior to the senior scale or from the senior scale to the administrative grades, the convention that the total number of posts in the senior scale and the administrative grades should be filled in the ratio of 2 to 1 by officers of the East Indian Railway cadre and the State Railway cadre, respectively, would be followed. This ratio was adopted

†For answer to this question, see answer to question No. 626.

tentatively till the preparation of a combined seniority list. This has been done since and promotions are now made on the usual basis of seniority and efficiency.

(c) I am making enquiries from the Agent, East Indian Railway, as regards this point and shall lay a reply on the table later.

(d) I can obtain for the Honourable Member the existing number of officers in the various offices mentioned by him divided into East Indian Railway Company Officers and State Railway Officers, but this is not likely to be of any value as variations take place from time to time according to the exigencies of the public service.

Lieut.-Colonel Sir Henry Gidney: Is the Honourable Member aware that this trouble between the Oudh and Rohilkhand Railway, as it was formerly called, and the East Indian Railway, as it was formerly called, has been going on for many years? And are Government aware of the fact that it is creating great discontent among the staff, both officials and subordinates, of the former on account of unfair and unjust treatment, and the favourable treatment that is given to the East Indian Railway staff, official and subordinate?

Mr. P. R. Rau: So far as I am aware, the trouble as regards officers at any rate has ended.

Lieut.-Colonel Sir Henry Gidney: Are Government aware of the fact that they sent a Member of the Railway Board to Moradabad to investigate this very matter and that the matter has not been finally decided?

Mr. P. R. Rau: Does my Honourable friend refer to officers or subordinates?

Lieut.-Colonel Sir Henry Gidney: Particularly of the subordinate staff, inquiries have been made.

Mr. P. R. Rau: I am not aware personally of the fact that my Honourable friend referred to.

Dr. Ziauddin Ahmad: Sir, I cannot tell what the source of the Honourable Member's information is, but one officer has specially told me that they have got genuine grievances, and he said further that they did not try to redress the wrongs of the subordinates, because their wrongs are not redressed by the Railway Board.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House whether or not it is a fact that not a single officer of the Oudh and Rohilkhand Railway, as it was formerly called, is today in any high administrative post in the East Indian Railway headquarters?

Mr. P. R. Rau: I am afraid I shall require notice of that question.

APPOINTMENTS OF FIREMEN AT BULSAR ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

633. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if it is a fact that seven appointments of special 'C' Grade Firemen were made at Bulsar on the Bombay, Baroda and Central India Railway?

(b) Is it a fact that the appointments were made from among the apprentices and not from among the firemen who are in permanent service?

(c) If the reply to part (b) be in the affirmative, will Government be pleased to state the reasons why they did not fill up these appointments from among the retrenched men at Bulsar who were waiting for reinstatement?

Mr. P. R. Rau: With your permission, Sir, I propose to reply to questions Nos. 633 and 634 together. I am calling for certain information and will lay a reply on the table in due course.

DENIAL OF THE BENEFIT OF SUNDAY REST TO WORKERS IN THE RUNNING SHEDS AT CERTAIN PLACES ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

†634. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if it is a fact that on the Bombay, Baroda and Central India Railway the benefit of the Factories Act regarding Sunday rest is given in the running sheds at Parel, Bandra, Bulsar and Ahmedabad, to certain categories of employees?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state why the same benefit is denied to the same categories of workers in the running sheds at Rutlam, Godhra, and other places on the Bombay, Baroda and Central India Railway?

(c) Do Government propose to take steps to remove this discrepancy?

INTRODUCTION OF THE HOURS OF EMPLOYMENT REGULATION AND WEEKLY REST CONVENTION ON COMPANY-MANAGED RAILWAYS.

635. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state whether they have issued to the Company-managed Railway Administrations instructions to introduce the Hours of Employment Regulation and Weekly Rest Convention?

(b) If the reply to part (a) be in the negative, will Government be pleased to state the reasons for not doing so?

Mr. P. R. Rau: (a) and (b) The question of applying the Act to Company-managed Railways will be considered when the financial position improves. Meanwhile, Government have asked the Agents of the Bombay, Baroda and Central India and Madras and Southern Mahratta Railways for their views on the possibility of introducing these regulations on their system from next year and for a detailed estimate of the cost of expenditure that will be involved under present conditions of traffic.

RECRUITMENT OF NEW MEN IN PREFERENCE TO THE RETRENCHED MEN ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

636. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if it is a fact that on the Bombay, Baroda and Central India Railway new men have been recruited in preference to the retrenched men?

†For answer to this question, see answer to question No. 633.

(b) Is it a fact that retrenched men with lesser service are given preference to those with longer service, when appointments are made from among the retrenched men?

(c) Is it a fact that retrenched men are being reinstated on a reduced pay ranging from 25 to 60 per cent?

(d) Will Government be pleased to state what action they propose to take to enforce the orders of the Railway Board and the recommendations of the Murphy Committee as regards the reinstatement of retrenched men?

Mr. P. R. Rau: (a) to (c). Government have no information.

(d) Instructions issued by Government on the subject of retrenchments apply strictly only to the State-managed Railways; but Company-managed Railways which under their contracts enjoy considerable freedom in matters of administration were invited to follow the same instructions. I am forwarding a copy of these questions to the Agent, Bombay, Baroda and Central India Railway, for any action that he may desire to take in the matter.

CONSIDERATION OF WAR SERVICES IN SELECTING THE PERSONNEL FOR RETRENCHMENT IN THE POSTS AND TELEGRAPHS DEPARTMENT.

637. ***Mr N. M. Joshi:** Will Government be pleased to state whether it is a fact that they had issued instructions in December, 1933, directing that War Service should be taken into consideration in selecting the personnel for refrenchment in the Posts and Telegraphs Department?

The Honourable Sir Frank Noyce: Yes.

Pandit Satyendra Nath Sen: Does this principle apply to the Posts and Telegraphs Department only or to all other Departments?

The Honourable Sir Frank Noyce: I am afraid I shall have to ask for notice of that question as I am only concerned with the Departments in my immediate charge.

Mr. N. M. Joshi: If these instructions hold good, will the Honourable Member consider cases where these instructions are not being followed?

The Honourable Sir Frank Noyce: Certainly, I shall be glad if the Honourable Member will bring any cases, in which he thinks these instructions have not been followed, to my notice. I shall then be happy to inquire into them.

UNSTARRED QUESTIONS AND ANSWERS.

PAUCITY OF STAFF IN THE CENTRAL PUBLICATION BRANCH.

297. **Mr. S. C. Mitra:** (a) Are Government aware that the break-up of the establishment of men employed on daily wage basis by the Central Publication Branch has resulted in dead-lock in the office by throwing the whole machinery out of gear for paucity of staff?

(b) Is it a fact that most of the men employed on daily wage basis were recruited by the Officiating Manager on payment of money?

(c) Is it a fact the Officiating Manager's spirit of self-aggrandisement had manifested itself in the appointments he made?

(d) Are Government prepared to investigate whether it is a fact that underhand and surreptitious methods were actually employed by the Officiating Manager?

The Honourable Sir Frank Noyce: (a) No.

(b) and (c). Government have no information.

(d) Not unless the Honourable Member is prepared to produce evidence in support of his allegations.

ALLEGATIONS AGAINST THE SECRETARY, WORKS COMMITTEE, GOVERNMENT OF INDIA PRESS, NEW DELHI.

298. Rao Bahadur M. C. Rajah: (a) Are Government aware of the fact that lately the post of the Secretary of the Works Committee of the New Delhi Government Press has been converted into a profitable source of income by the present incumbent?

(b) Has the attention of Government been drawn to the fact that Mr. B. N. Dutt, Secretary of the New Delhi Press Works Committee, took a tricycle from a Bania and in return managed to secure a Verandah for the latter's shop in the Press Area?

(c) Is it a fact that the said Mr. Dutt secures meat, milk, sweets and other trifles free from the shopkeepers living in the Press Area, simply because he holds the office of Secretary of the Press Works Committee?

(d) If so, what action, if any, are Government prepared to take in the matter?

The Honourable Sir Frank Noyce: (a) and (b). No.

(c) No information to this effect has reached Government and the Manager states that, to the best of his knowledge, there is no substance in any of the allegations contained in the Honourable Member's question.

(d) Does not arise.

ALLEGATIONS AGAINST THE SECRETARY, WORKS COMMITTEE, GOVERNMENT OF INDIA PRESS, NEW DELHI.

299. Rao Bahadur M. C. Rajah: (a) Is it a fact that lending or borrowing money by the Press employees amongst themselves is strictly forbidden on pain of dismissal according to the rules of the "Hand-book for the Government of India Press"?

(b) Are Government aware of the fact, that Mr. B. N. Dutt, Secretary of the Works Committee, has been breaking this rule by lending money to Press employees in the name of his wife?

(c) Is it a fact that lately Mr. Dutt's wife went to a Court at Delhi and obtained a decree against an employee of the Government Press, New Delhi? Are Government aware that in this particular case money was actually lent by Mr. Dutt in his wife's name to the man concerned?

(d) If the answer to the above be in the affirmative, what action do Government propose to take in the matter? If the answer to the above be in the negative, will Government please state whether they are willing to institute enquiries in the matter?

The Honourable Sir Frank Noyce: (a) Yes.

(b) No.

(c) and (d). No information has reached Government; but, if the Honourable Member can supply particulars, an inquiry will be made.

EXPENSE TO GOVERNMENT DUE TO THE TRANSFER OF THE CENTRAL PUBLICATION BRANCH TO DELHI.

300. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state if it is a fact that the transfer of the Central Publication Branch to Delhi has resulted in more expense to Government on the whole?

(b) Will Government be pleased to state if it is a fact that all printing and binding materials required by the Delhi and Simla presses have to be obtained mainly from Calcutta?

(c) Will Government be pleased to state if it is a fact that Government have to pay railway freight, etc., on all the above materials?

(d) Will Government be pleased to state if it is a fact that heavy railway freight has now to be paid by the Delhi and Simla presses for the additional printing and binding materials required for publications which would otherwise have been printed in the Calcutta press had the Central Publication Branch remained in Calcutta?

The Honourable Sir Frank Noyce: (a) The transfer involved a substantial initial outlay, but considerable capital and recurring expenditure would have been necessary if it had not taken place. The estimates of the latter amounts showed that Government would have had to spend in less than three years a sum equivalent to the cost of the transfer, and would have had to meet further charges in future years. While, therefore, the move should yield substantial economies, the economies secured in the first year have not, of course, balanced the initial outlay.

(b) Yes.

(c) Freight has to be paid on materials obtained from Calcutta.

(d) No; any increase in the freight charges is due to the policy of concentrating ordinary printing work in Delhi and although this step was assisted by the transfer of the Publication Branch, it was regarded as desirable on its own account. I should add that a substantial part of the publications printed at Delhi and Simla are required for distribution in these centres, so that the freight charges cannot be regarded as a measure of the additional expenditure involved.

TECHNICAL QUALIFICATIONS FOR THE POST OF ASSISTANT CONTROLLER, PRINTING.

301. **Mr. D. K. Lahiri Chaudhury:** (a) Will the Honourable Member in charge of the Department of Industries and Labour kindly reconcile the reply given by him in this House on the 22nd March, 1933, in which he stated that technical qualifications in printing were not considered essential for the post of Assistant Controller, Printing, with the reply given to the General Purposes Sub-Committee by the Industries and Labour Department in paragraph 13 of their replies in which they expressed their inability to take over the work of the late Central Printing Office on the ground that the work done in a portion of that office was of a technical nature?

(b) Will Government be pleased to state if they are now prepared to declare that technical qualifications are essential for the post of Assistant Controller, Printing? If not, why not?

(c) Will Government be pleased to state the reasons why technical qualifications are considered essential in the case of Managers of presses?

(d) Will Government be pleased to state if it is a fact that the Managers of Presses have to follow the instructions of the Assistant Controller, Printing, in matters relating to printing?

(e) If the reply to part (d) be in the affirmative, will Government be pleased to state if it is not essential that the Assistant Controller, Printing, should also possess technical qualifications in printing? If not, why not?

The Honourable Sir Frank Noyce: (a) It does not follow that because work is too technical to be suitable for a Secretariat, the officer in charge of it must have particular technical qualifications.

(b) No; because it would not be true.

(c) Because printing is a highly technical craft.

(d) I am not clear what instructions the Honourable Member refers to. But I understand that the Assistant Controller does not issue any instructions which involve any questions of printing technique.

(e) Does not arise.

IDLE HOURS IN THE GOVERNMENT OF INDIA PRESS, CALCUTTA, SIMLA AND NEW DELHI, AND CERTAIN HIGHER APPOINTMENTS.

302. Mr D. K. Lahiri Chaudhury: (a) Will Government be pleased to state the total number of idle hours in the Government of India Presses, Calcutta, Simla and Delhi, during (i) the last year and (ii) this year up to date?

(b) Will Government be pleased to state (i) the grounds on which the posts of Deputy Controller, Stationery, Assistant Controller, Stationery and Manager, Central Publication Branch, were considered "technical" before and only held by European officers possessing technical qualifications in Printing and (ii) the grounds on which they are now considered non-technical and held by non-technical officers?

The Honourable Sir Frank Noyce: The totals for the financial years are:

(a) (i) 1932-33: 15,806.

(ii) 1933-34: 12,842.

(b) It has never been essential for the occupants of these posts to be qualified printers. Officers with printing qualifications have been appointed on some occasions, because they were regarded as the most suitable officers available.

THEFT OF RAILWAY PROPERTY AT THE NEW DELHI RAILWAY STATION.

303. Mr. M. Maswood Ahmad: (a) Will Government be pleased to state whether on the night of the 20th/21st July, 1933, a theft of the railway property—bamboos and wooden blocks—was committed at the New Delhi Railway Station?

(b) Was the matter reported to the then Lower Ridge Road Police Post?

(c) Was any enquiry made by the Police? If so, what was the result of such enquiry?

(d) How was the deficiency of the Railway property made good?

(e) What action, disciplinary or otherwise, was taken against the offenders?

Mr. P. R. Rau: (a) and (b). Yes.

(c) As regards the first part, the reply is in the affirmative. As regards the second portion and parts (d) and (e), Government are making enquiries.

MANAGING COMMITTEE OF THE EAST INDIAN RAILWAY HIGH SCHOOL AT TUNDLA.

304. Kunwar Hajee Ismail Ali Khan: Will Government be pleased to state:

(a) the total number of members of the Managing Committee of the East Indian Railway High School at Tundla;

(b) the number and names of Muslim, European, and Hindu members of the said Managing Committee;

(c) how many members of the said Managing Committee are (i) Railway servants and (ii) non-officials;

(d) whether it is a fact that from amongst the members of the Managing Committee, one is an officer (acting usually as President) and the other is his subordinate belonging to the same department, with the result that the subordinate member cannot exercise his independent vote; and

(e) whether it is a fact that one of the Muslim non-official members and the European member of the said Managing Committee have either tendered or are about to tender their resignations? If so, why?

Mr. P. R. Rau: I have called for certain information, and will place a reply on the table, in due course.

HEADMASTER OF THE EAST INDIAN RAILWAY HIGH SCHOOL AT TUNDLA.

305. Kunwar Hajee Ismail Ali Khan: (a) Will Government be pleased to state the name of the present Headmaster of the East Indian Railway High School at Tundla?

(b) Is it a fact that some time ago he left or was compelled to leave the said school for some time on account of insanity?

(c) Was any enquiry ever made before he was re-instated? If so, will Government be pleased to state the results of such an enquiry and lay on the table the findings of the said enquiry committee?

(d) Will Government be pleased to state the number, after his re-instatement, of the boys sent up for the High School Examination and the number of boys who passed in that examination?

Mr. P. R. Rau: I have called for information, and will lay a reply on the table of the House, in due course.

MUSLIM STUDENTS IN THE EAST INDIAN RAILWAY HIGH SCHOOLS AT TUNDLA.

306. Kunwar Hajee Ismail Ali Khan: (a) What was the total number of boys in the East Indian Railway High School, Tundla, during the years 1922 to 1933 and the number of Muslim boys in the said school?

(b) Is it a fact that there is a sufficient number of Muslim boys in the lower classes but they are not promoted in sufficient numbers to the upper classes as in case of boys of other communities? If so, will Government be pleased to state the number of (i) Hindu and (ii) Muslim boys reading in lower classes and the number of such boys promoted?

(c) How many boys have passed High School Examinations from the said school during the last ten years and how many of them were Muslims?

Mr. P. R. Rau: I have called for information, and will place a reply on the table of the House, in due course.

TEACHERS IN THE EAST INDIAN RAILWAY HIGH SCHOOL AT TUNDLA.

307. Kunwar Hajee Ismail Ali Khan: Will Government be pleased to state the total number of teachers and assistant teachers in the East Indian Railway High School at Tundla and how many of them are Hindus and Muslims?

Mr. P. R. Rau: I have called for information, and will place a reply on the table of the House, in due course.

PROMOTION TO THE POST OF INSPECTOR IN THE DELHI HEAD POST OFFICE.

308. Mr. S. G. Jog: (a) Is it a fact that in Delhi Head Post Office the posts of two Selection Grade Inspectors were converted into time-scale posts with a fixed allowance of Rs. 50 per month?

(b) Is it a fact that these posts were given to members of one and the same community, who have only five years' service including the two years' period of leave?

(c) Is it a fact that those officials superseded other graduates with longer service, some of whom have passed the Lowest Selection Grade Examination, the Departmental Accountants Examination, or even obtained the double degrees in Science and Law, while the officials nominated, passed no such examinations, and failed to pass in the first chance, the clerks' confirmation examination?

(d) Is it a fact that because of these nominations, three out of four posts are held by members of that particular community?

(e) Is it a fact that appeals were filed by such senior, better experienced and qualified aggrieved officials to the Postmaster General, Punjab, Lahore, who rejected all of them on the plea of discretionary powers being vested in first class postmasters?

(f) Is it a fact that such cases have also occurred in this department in other places in India?

(g) If the replies to the preceding parts be in the affirmative, will Government please state what is the criterion for exercising the discretionary powers and whether Government are prepared to withdraw them

and substitute instead some competitive examination or fix some other standard such as of seniority?

The Honourable Sir Frank Noyce: (a) to (g). Information is being collected, and will be placed on the table, in due course.

MEMORANDUM SIGNED BY SHAMS-UL-ULEMA MAULANA SYED AHMAD, THE IMAM OF JAMA MASJID, DELHI.

309. Maulvi Muhammad Shafee Daoodi: (a) Will Government be pleased to state whether the facts mentioned in the memorandum signed by Shamsh-ul-Ulema Maulana Syed Ahmad, the Imam of Jama Masjid and the Secretary of the Managing Committee of Jama-Masjid, Delhi, and which has been sent to the Department concerned, are correct? If not, which of them are not correct?

(b) Will Government be pleased to state the reasons for refusing sanction or disapproving plans or passing such other orders in respect of these mosques and mausoleums?

(c) Are Government prepared to revise their policy in this respect?

Mr. G. S. Bajpai: The information has been called for, and will be furnished to the House on receipt.

THE MATCHES (EXCISE DUTY) BILL.

Mr. President (The Honourable Sir Shammukham Chetty): The House will now resume consideration of the following motion moved by the Honourable Sir George Schuster on the 3rd April, 1934:

"That the Bill to provide for the imposition and collection of an excise duty on matches be referred to a Select Committee consisting of Sir Cowasji Jehangir, Mr. Rahimtoola M. Chinoy, Mr. S. C. Mitra, Mr. B. Sitaramaraju, Mr. B. V. Jadhav, Mr. Sitakanta Mahapatra, Sardar Sant Singh, Mr. R. S. Sarma, Rao Bahadur S. R. Pandit Mr. N. N. Anklesaria, Pandit Satyendra Nath Sen, Sirdar Harbans Singh Brar, Sir Leslie Hudson, Sir Darcy Lindsay, Mr. A. H. Ghuznavi, Mr. Muhammad Anwar-ul-Azim, Dr. R. D. Dalal, Mr. D. N. Mukherjee, the Honourable Sir Frank Noyce, and the Mover, with instructions to report within seven days, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, the Honourable the Finance Member, when moving for the reference of the Matches (Excise Duty) Bill to Select Committee, did not make a speech at all. I was really surprised at his taking this course of action. On the former occasion, when he moved for the reference to Select Committee of the Sugar (Excise Duty) Bill, he made a fighting speech, almost a bitterly fighting speech, and, at that time I was not surprised, because I have seen that Finance Ministers on the occasion of their last Budget are not so very anxious to propitiate the Opposition Benches. I do not know what the experience of this Central Legislature is, but that is what I have learnt in a Provincial Legislature.

On a former occasion, I had given some consideration to the question as to what the financial policy of the Government of India was. When India was governed by the East India Company, the policy openly was that of

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exploitation. Indian industries were ruthlessly annihilated and India was reduced to the position of a supplier of raw materials and a consumer of manufactured articles. It was said:

"Khalka Khudākā, mulkā bādshāhākā, ammal kumpanee sarkarkā."

In other words, the world belonged to God Almighty, the country belonged to the Emperor of Delhi, but the power was exercised by the Company. It meant to say that the Company was independent both of the Emperor of Delhi and of God Almighty. Any measures were followed to suit the then policy of the East India Company. The East India Company was replaced by direct administration under the Crown, and Parliament became responsible for the governance of India. About that time England had given up the protection policy and had taken to free trade. That policy was followed by the Government of India for as every one knows the Government of India have to follow the policy laid down by Whitehall, and the City, and that policy certainly is generally in the interests of England and not of India. Although Indian economists were crying themselves hoarse over protecting the indigenous industries, the tenets of free trade were thrust into their teeth and a ruthless policy of free trade was imposed upon India. But England was obliged to change her policy, give up her policy of free trade and take to protection, and the Government of India now saw the necessity of taking to protection and levying duties. They started the machinery of the Tariff Board. Now, there has been a good deal of change in the policy of the Government of India, one might say. The policy of protection is saddled with the policy of levying excise. When I consider the different vicissitudes of the policy, I find one strong principle in all of them. The principle is that of raising revenue and nothing else. Irrespective of the good of the country, the policy of the Finance Member and the Government of India as dictated to from Whitehall is to raise revenue and more revenue. If revenue can be had, then the eyes are closed to other facts, whether the duty will do harm to the country or will do good to the country. In the free trade days, the same was the policy; the Government were not in love with free trade

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair has been waiting for the last ten minutes to see if the Honourable Member is talking specifically of match excise. He is talking of the general free trade and protection policy of the Government of India.

Mr. B. V. Jadhav: I am coming to it. I am talking about the excise policy of the Government and I am trying to show that the policy of Government has all along been, whether it was free trade, or protection, or excise, to raise revenue and nothing else

Mr. President (The Honourable Sir Shanmukham Chetty): But this is not the occasion to review the general policy of the Government of India in regard to free trade and excise. It must be specifically related to the Bill before the House.

Mr. B. V. Jadhav: I am coming to it. In this Bill Government want to have an excise duty on matches, and this duty is to be imposed with the sole object of making up the deficit. The policy, as I said, is a policy of securing more and more revenue. Matches have now an import duty to pay; on account of that protection the Indian match industry is raising its head. Two match boxes have been sold in the bazaar for one pice. Now,

the Finance Member is going to impose an excise duty of one pice per box. That is nearly 400 per cent. and it is very excessive. Match boxes have become very necessary in the life of the country. People have discarded their old methods of producing light and they have taken to the match box, because it is an easy way of striking a light. But Government seek now to impose an excise duty of 400 per cent and so the match box cannot now be sold under two pice. This is very hard upon the poor people, and I register my humble protest that such a heavy duty on matches will bring into operation the law of diminishing returns. The consumption of matches is sure to fall and people will have to learn to do without using matches to the same extent to which they have been using them up till now.

Government are providing for the manufacture of only one size of match boxes. At present in the market there are three sizes of match boxes: some with 40 to 45 splints, others with 60 to 65 splints and a third bigger size with 80 to 85 splints. The small ones are sold very cheap in the market and they are purchased by the poorer classes of people. The middle sized ones have also got their patrons . . .

The Honourable Sir George Schuster (Finance Member): May I just put it to the Honourable Member that it is just the sort of point that we want to discuss in the Select Committee. We quite recognise the force of some of the points he is making, and we are prepared to consider some sort of modifications to meet those points about the number of sticks in the box, and so on. These really definitely are points for the Select Committee.

Mr. B. V. Jadhav: Sir, I am very glad to have this assurance from the Honourable the Finance Member. I was afraid, however, from the stiff attitude he has always been assuming in this House that perhaps he would not allow the consideration of these points in the Select Committee. Perhaps it might be urged that the principle was one size of box, but now I am quite satisfied with the assurance he has given, and so I shall not pursue this matter further.

Sir, in certain places match making is carried on as a cottage industry, and a few boxes are made and sold locally. These locally made matches which are the products of cottage industry are not numerous enough, nor are they of such superior quality as to command large sales outside, and, therefore, I say that such small works should not be brought under this excise Act. It ought to be the policy of the Government to encourage cottage industries, and match making is, I think, very suitable for a cottage industry. Such boxes when made will not meet the whole want of the country, but then it will give employment to a number of people who are at present unemployed, and I think this point deserves consideration in the Select Committee.

At present there are a number of factories in India. But this industry is dominated by a company which is called the Swedish Company, which, I think, is a near imitation of Swadeshi. This Company has spread its tentacles all over the country, and they are not so very careful about the well-being of their rivals. The Bill will have to be considered in the Select Committee in such a way as to see that no unnecessary impediments are thrown in the way of genuine Swadeshi enterprise by foreign companies who have got into the field and compete with indigenous enterprise. As long as there is an Indian competition strong enough, then

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the interests of the country are safe. There cannot be any monopoly. But, if, by the policy of Government, small concerns are crushed out of existence, then there will be a monopoly in the hands of a foreign company and India will suffer. I am raising this protest, because I have seen that in the aluminium industry Government did not take care to help the Indian pot makers, and now we find that the whole trade has been concentrated in the hands of foreign exploiters, and the indigenous companies have almost gone into liquidation. The same woeful tale may not have to be told about the match industry, and, therefore, I warn Government to be very careful at the outset.

Sir, there are certain provisions in this Bill, especially the provision of boxes with 80 splints, which are very detrimental to the industry as a whole. If the Bill had been passed into law with such provisions, it would have crushed the indigenous match companies, it would have crippled their operations to a very great extent. But now I am glad to see that the Finance Member is willing to have some such points considered in the Select Committee, and I hope that the whole Bill will be recast in such a way that the indigenous industry will not be prejudiced. I may also at the same time bring to the notice of Government that the precautions prescribed by the Importation of Foreign Capital Committee have not been insisted upon this foreign concern. There had been a talk with the Central Government, there was an undertaking, and perhaps there was a written document also by the Swedish Company. But Government have been rather amiss in not enforcing the conditions of that agreement. I think Government will be more alert and have some consideration for the advancement of local industries.

Mr. B. Sitaramaraju (*Ganiam cum Vizagapatam*: Non-Muhammadian Rural): Sir, yesterday when the Finance Member said that he was not called upon to face on this industry, an agitation of such intensity as he had to experience on sugar, he was perfectly correct, but it is not because that the burden on the victims of this legislation is less than it is on the sugar industry, but because we all know that there is a vociferous section of industrial groups who have thoroughly realised the value of propaganda and have been able to secure support to advance their claims: but, none the less, the suffering, whatever it was in the case of sugar, is made 100 times more intense in the case of matches.

No sooner had the Finance Member closed his speech indicating this measure than the prices of matches went up from one pice to two pice. It is very difficult for Honourable Members to realise how hard it is for the large class of consumers to shoulder the burden. Honourable Members opposite drawing princely salaries and capitalists, who have grown fat upon the poor, may not be able to realise the extent to which that suffering is cast upon the country. It is also equally true that the victims of this legislation, though many, are yet unorganised. Their voices today are not heard, but, Sir, the voices are on their way, and they will come even to this House, and may God help, when they come, for they will be felt even by those who have driven those people to make their voices heard in this House. It is not my purpose to discuss the policy underlying the imposition of these excises. To a certain extent, I do feel that when an industry receives protection, it is at the cost of either the consumer who has to bear the burden or at the cost of the tax-payer who has to forgo

the revenue. In either case, I always consider that the protective tariffs should be considered more as a loan from the people of the country to the industry concerned, and that the time must come when the industry must make a repayment of that loan. But there are also other considerations to be taken as relevant factors for the imposition of such excise duties. Though the growth of this industry is not as romantic as that of sugar, nevertheless, within the last few years, the industry has grown rapidly, and we find that today it is in a position to supply the entire home demand. The industry has got certain natural advantages in this country. One is that the country is a very big country and we are able to have a very big home market for the products of this industry. Secondly, we have very cheap labour, and, thirdly, the industry is able to produce the necessary raw materials, and with a little more care it should be able to exceed the demand. With such advantages, the industry has been able, within a few years, to capture the home market, and that is an achievement in itself, but such an achievement is but natural.

When we consider these proposals, we have to take into consideration three important factors. One is the effect of these proposals on what is called the cottage industries; secondly, on the factories themselves; and thirdly, on the people who are the consumers. It is not disguised by the Finance Member when he made his speech on the Budget that this measure is intended to affect adversely the cottage industries. He said:

"The Bill will provide for no concession in favour of the so-called 'cottage industry', which really means nothing more than the dipping in chemical mixtures of splints made in factories and the pasting of paper wrappers and of strips carrying other chemical mixtures on boxes made from veneers made in factories. Any such concession would make evasion of the duty and an artificial attack on the position of regular match factories materially easy; and we are justified in allowing this consideration to prevail by the fact that the Tariff Board, in paragraph 134 of their Report, regarding the grant of protection to the Match Industry definitely advised against any special measures which would have the effect of encouraging match making as a 'cottage industry' because it was not suitable for such operations both on economic grounds and because of the dangerously inflammable nature of the materials used."

This passage of the Finance Member's speech would only disclose how imperfectly he appreciated even the report of the Tariff Board. Like all half truths, this statement is very dangerous, as I will presently show that it is far different from the recommendations of the Tariff Board themselves, though, so far as he has stated, this passage does occur in the report, but, when we go through the report as a whole, the House will realise that the report of the Tariff Board was not properly appreciated. At the outset I may be permitted to make one observation. When the Tariff Board examined this industry, it must be remembered it examined the state of an industry which was in existence in 1927. More than seven years have elapsed since the industry was examined, and, therefore, the report of the Tariff Board is, after all, seven years old. There is nothing to show the state of the industry at the present time, and, therefore, the recommendations of the Tariff Board which ignore this consideration must be looked at with a certain amount of reservation. The circumstances under which the Tariff Board dealt with the question of the cottage industry and the considerations which operated upon the mind of the Tariff Board when making their recommendations have duly to be taken note of. What was the case that the Tariff Board was asked seven years ago to take into consideration? The Tariff Board was asked to

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consider the claim made by the cottage industries for a particular special treatment. The Tariff Board at page 75 says:

"It was claimed that the interests of the smaller concerns would be sufficiently safeguarded if an excise of 8 annas per gross was imposed on matches manufactured by companies or firms financed by foreign capital and a bounty at 4 annas a gross granted to cottage factories for five years."

That was the claim made by the cottage industries before the Tariff Board. It was common knowledge that most of the factories were under a Swedish combine; later on, though it was not mentioned in the report, there were also Japanese factories which cropped up in Calcutta and other places about which I shall speak afterwards. These are foreign companies, and the cottage industries had to face the competition of these factories, and they asked for some special consideration to be shown to them. Apart from the fact that these cottage industries are the real Indian industries and the foreign companies, who founded factories here, can be called Swadeshi only by courtesy,—in spite of that, these cottage industries did not base their claim for protection merely because they were Indian. As has been pointed out by the previous speaker, they are industries which are intended to benefit the poorer classes, which are intended to find employment for a large class of people and which are intended to serve the local needs in a restricted manner. The nature of the country also does justify, in view of its poverty, the growth of this kind of industry in the country. In spite of these considerations, what the cottage industries said was that, as they were immediately asked to face the competition of foreign companies in this country, if the Government were to impose an excise duty, that excise duty might be imposed upon such factories at eight annas per gross, of which they wanted only four annas as bounty. I am not going to question the reasons of those members who constituted the Tariff Board. Whatever may be their reasons, they had come to one conclusion. They said that the nature of the industry is such that the future of the industry as a whole cannot be a cottage industry. It must be taken into account, they said, that it is difficult for an industry of this kind to compete successfully and supplant the factories in this country. Further, they were of opinion that any special advantage to be shown to the cottage industry at the expense of the factories established in this country would not conduce for the future of a cottage match industry in this country. Further, they opine that the cottage industry is such that it can always cater for only a restricted market, because, when compared to the cost of their production and the cost of production of the factories, the cost of packing cases and things like that which are necessary for carrying on the trade into a wider field, they would be in a position which would be very difficult to maintain in competition with factories. Lastly, they remark, a remark which has been taken advantage of by the Honourable the Finance Member that the manufacture of these cottage industries is a menace to public safety. Let me offer one remark in this connection. I have read the report of the Tariff Board rather carefully, and I find even from the report itself that there is absolutely no justification for the remark they have made. The reason is this. They stated that at the time of their inquiry certain persons got burnt in an accident in a certain match factory. Would Honourable Members believe me when I say that they actually noted what that factory was and it was found to be not a cottage industry at all. It was a regular factory, a factory whose future at any rate the Members of the Tariff Board support with enthusiasm. That was a factory, which was able to turn out

about one thousand gross a day. Beyond the fact that there was an accident in a certain big factory, they have not been able to point out a single case where a cottage industry had suffered at all. I think they are absolutely unjustified in drawing any inference from the fact that because there was an accident in one factory, therefore there must have been accidents in cottage industries also. They also made a further remark that at that time the want of the growth of the co-operative movement is a great handicap for the growth of the cottage industry. We all know that the co-operative credit system and co-operative organisations have been taking advantage of the present state of affairs and they have been rapidly expanding in their activities and operations. However that may be, the recommendation of the Tariff Board was merely to impress upon the Government that the cottage industry can never be expected to supplant the factories, and, therefore, the consideration at the expense of the factories which they asked for before the Tariff Board could not be granted. I am very sorry to note that the Honourable the Finance Member has ignored the most important passage which is very relevant for the discussion under this Bill, that is when the Tariff Board said that if you were to impose an excise duty, then you have to show some consideration to the cottage industries. They say on page 81:

"Should Government decide to impose an excise duty on matches made in India, it may not be possible for the smaller cottage factories to pass this on entirely to the consumer. Rates of interest charged on advances are high and it is almost always necessary for such factories to sell their goods without delay at the best price obtaining. Thus when considerable sums have to be paid to Government on account of excise revenue, it may be necessary to sell stocks at a lower price than the addition of the excise would justify. Some additional expense on account of book keeping and the maintenance of registers might also be necessary. While as has been seen there is no ground for extending assistance to match manufacture as a cottage industry, it would be unfair to impose by means of an excise duty on cottage factories a special burden which would not be borne by better equipped concerns having greater financial resources. We think, therefore, that if possible, a reduction not exceeding two annas per gross should be allowed to cottage factories in the event of the imposition of an excise duty."

This is the recommendation that was made by the Tariff Board for the cottage industry. This is something different from what is contained in the Finance Member's speech. The Tariff Board do want some special treatment to be given to the cottage industry in case you impose an excise duty and they say they have not forgotten the administrative aspect which the Honourable the Finance Member has been pleased to refer to in his speech. The Tariff Board say:

"We are aware that administrative difficulties may occur, in particular in determining what is or is not a cottage factory. At the same time we consider that this should not deter Government from attempting to alleviate the special burden imposed on such factories. We have carefully considered whether it is possible to lay down any definition of a cottage factory but we find, that the only practicable method of differentiating cottage from other factories is by output, which we consider should be fixed with reference to local conditions."

That was the recommendation. The Tariff Board even seven years ago felt that several Local Governments had been taking interest in promoting the cottage industries. Special officers and persons capable of promoting the development of this industry had been requisitioned. The Tariff Board themselves admit, as in the case of Mr. Bose, that they were unable to have the co-operation of the Local Governments or were unable to examine Mr. Bose, the one officer who would have been able to help them with the necessary materials regarding the advantages and disadvantages of this type of industry which were not otherwise available to

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them. Under those circumstances, it cannot be said the Tariff Board had been able to judge this type of industry in all aspects. They also admit, that there are the sociological and the educational aspects of the problem which do exist in the case of a cottage industry, but they opine that it was a matter more of a policy with which they are not directly concerned; it was a matter of policy for the Government to consider when they deal with an industry of this nature whether they would pay due regard to the sociological and educational aspects of such an industry. Under these circumstances, I venture to submit that the Government are not justified to call in the report of the Tariff Board in order to strengthen their case in dealing with the cottage industry in this matter, and I do consider that the Government should reverse their opinion and the conclusions that they have so far been able to come and appreciate the needs of this type of industry. It is their duty to support the growth of that industry instead of throttling it.

The other question was with regard to the position of these foreign factories, namely, the Swedish Combine and the Japanese factories and others which have come into existence since the Tariff Board made its report. Sir, there are the people who are really going to be benefited by this measure by throttling the cottage type. Very few of these factories are Indians. The capital is foreign, personnel is foreign, and the industries that will be benefited will be those largely belonging to foreigners. Sir, in this connection I would like particularly to ask the Government whether it is a fact or not that some of these companies do not even use the wood produced in this country. Sir, I was told that up to a certain percentage wood is still being imported into this country. Notwithstanding the recommendations of the Tariff Board themselves made seven years ago that the Government immediately take to extend the plantation of the necessary wood and advise the Local Governments to extend the plantation of wood suitable for this purpose and notwithstanding the fact that they also recommended that such researches should be made in Dehra Dun, nothing appears to have been done.

Mr. B. V. Jadhav: Something was done in Bombay.

Mr. B. Sitaramaraju: Bombay is not Dehra Dun. I was speaking of the research in Dehra Dun and the way in which plantations were not promoted as recommended. In Bombay, if some plantations have been made, those plantations were not the outcome of any activities of the Government themselves, but they were the result of the operations of the Swedish Combines, if my information is correct. I am not quite sure of that, however. At any rate, some of the plantations are possibly the result of the encouragement of the Swedish company. However that may be, the point is this. There is wood here. There is also the possibility of every variety of wood being grown in this country, but the Government have slept over the matter all these years. Further, I was also given to understand that when we in this country complained of the exploitation by these foreign capitalists, the Government were approached even by the Swedish combines and they informed the Government that they were prepared to give an undertaking in writing that they would be prepared to take Indian capital into their concerns, and such undertaking, it appears, was actually given in 1932. Now, what have the Government done? Did they call upon the Indian capitalist to come and subscribe? What have they done to promote the gradual Indianisation of those factories which today we are trying our best to safeguard at the sacrifice of a wholly indigenous industry

called the cottage industry. Then, there is one more question, that of the duty. The Tariff Board themselves say that in fixing the duties, in view of the limitations imposed by the minimum monetary unit in use in the match trade and having regard to the possibilities of the middleman's profits, they recommend Rs. 1-8-0. It would appear that the present proposals do not take into consideration that factor—that matches must be sold either at one or at two pice, and that there is no half-way house. Under these circumstances, I hope the Government do realise that an increase from one pice to two pice means a tremendous increase, an increase which is not justified, an increase which Government have no right to make in the case of an article which is a prime necessary of life.

Mr. N. M. Joshi (Nominated Non-Official): Mr. President, my Honourable friend, Mr. Jadhav, said only a few minutes ago that the object of the Government in imposing an excise duty on matches was to meet a deficit in their revenue. I feel, Sir, my Honourable friend has made a mistake. The Honourable the Finance Member himself stated that in order to meet the deficit in his Budget he was imposing a duty on sugar, on tobacco and on silver and his proposals were complete so far as they were necessary to meet the deficit of the Central Government. Sir, the Honourable the Finance Member made it quite clear that the excise duty on matches was necessary in order to give a contribution to Bengal and some other Provinces amounting to more than two crores of rupees. I would, therefore, like to discuss this question further before I discuss the question of matches on its own merits.

In the first place, I would like to say that it is a wrong policy for Government to indicate, not through a particular clause in a Bill, but by speeches either of the Finance Member or of others, that the proceeds of a particular tax will be devoted to a particular purpose. I think that is a wrong policy.

The Honourable Sir George Schuster: May I just interrupt my Honourable friend? I never said anything of the kind. We are not earmarking the proceeds of a particular tax for a particular purpose: all I said was that it was necessary, if we were to carry out a particular purpose, to increase our revenue, but the revenue from each head of taxation, of course, goes into the common pool.

Mr. N. M. Joshi: I realise what the technical position is.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Did not the Honourable the Finance Member state that the extent of assistance given to certain Provinces would be equal to the realisation of the excise duty on matches?

The Honourable Sir George Schuster: No; I never made that precise statement. It is, of course, obvious that the extent of assistance that we give will depend on our revenue position. But if this House, for example, cut about the sugar excise proposals, that might also affect our ability just as much as cutting the match excise proposals.

Mr. N. M. Joshi: I myself never said that the Government had definitely earmarked the revenue coming from the match duty for a particular purpose. There is no mention of this object in the Bill itself. But the

[Mr. N. M. Joshi.]

speech of the Honourable the Finance Member did not leave any doubt on that point. I shall, if you like, quote his actual words:

"The proposals which I have mentioned, namely, Sugar Excise net revenue 1,40 lakhs Tobacco duties 30 lakhs, Silver 4 lakhs, less the loss of five lakhs on the abolition of the export duty on raw hides, should produce a net improvement in revenue of 1,69 lakhs, which will cover the deficiency of 1,53 lakhs and leave us with a small surplus of 16 lakhs.

This would complete my plan so far as the Central budget is concerned, but I have one other important proposal to put forward which can be independently considered."

Sir, then the Honourable Member deals with the contribution to Bengal and also the excise duty on matches. I am, therefore, justified in stating that the object of the Government in imposing an excise duty on matches is to give a contribution to Bengal and other Provinces.

The Honourable Sir George Schuster: My Honourable friend is perfectly justified in stating that. But what he stated was that it was wrong for us to introduce legislation for a special purpose which was not provided in the legislation. What I pointed out was that we had to raise revenue from a number of taxes and they all flow into the common pool. On the expenditure side, our proposals are represented in demands for grants and not in the legislation and it would have been entirely wrong for us to include any proposal for the disposal of the proceeds of the match excise duty in the Match Excise Bill, not only because it is not a fit subject for legislation, but also because the proceeds of the match excise duty are not earmarked for a special purpose. They flow into the general pool.

Mr. N. M. Joshi: I myself never said that the proceeds of the match duty were earmarked. At the same time, the Honourable the Finance Member in his speech gave a clear indication why the excise duty was imposed on matches. I do not, therefore, say that there is anything technically wrong, but, at the same time, I am questioning the policy of putting before a Legislature through the speech of a Finance Member that the proceeds of a particular tax are necessary for a particular object. I feel that it is a wrong policy. What I would have really suggested to the Honourable the Finance Member was that, as he dealt with sugar, tobacco and other commodities, he should have dealt with matches, and he should have also dealt with the money necessary for Bengal independently. He should not have shown any connection between the two. That is my point.

Then, Sir, I have another remark to make in connection with this contribution to Bengal. That remark is that, although the Honourable the Finance Member complained that the Legislature did not discuss that question as fully as he desired, I feel that the Honourable the Finance Member and the Government of India were not quite fair to the House in that respect. I feel that when the Government of India had to take a step of this importance, they should have brought forward their proposal by means of a separate Resolution. A contribution to one Province amounting to two crores of rupees is not an ordinary subject that could be included in the ordinary Budget. To include such an item in the ordinary Budget and expect the Legislature to discuss it fully is, I feel, not being quite fair to the Legislature itself.

The Honourable Sir George Schuster: I might say that if there had been any general demand for that course, it could have been very well expressed in the course of the general discussion of the Budget and we should have been very ready to consider it.

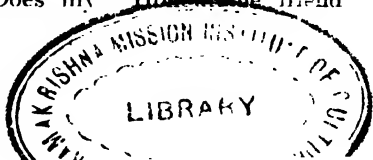
Mr. N. M. Joshi: Mr. President, I am not blaming the Honourable the Finance Member wholly in that respect. I feel that it would have been much better if such a demand had also proceeded from the Legislature itself. What I am complaining is that on account of the fact that this contribution was introduced through the General Budget and not by means of a separate Resolution, we are at a disadvantage in discussing that subject quite independently and freely. I am myself at a particular disadvantage. If it was shown to me that a contribution to Bengal was necessary, I would certainly have voted for it. But what happens now is that we are left with one source of revenue to the Government of India, namely, the matches. On principle, I am against the excise duty on matches. So, if I vote against the excise duty on matches, I should be supposed to be voting against the contribution to Bengal. That is my complaint.

Mr. B. Das (Orissa Division: Non-Muhammadian): May I remind my Honourable friend that he never questioned the Secretary of State at Joint Parliamentary Committee that he was against the principle of excise duty on matches.

Mr. N. M. Joshi: I am not aware that the Secretary of State was ever examined about the propriety of imposing certain taxation as a result of the deficits of our budgets. I feel that if the Secretary of State had been in this House, I would have either examined him or I would have made my speech even in his presence. In the Joint Select Committee, we did not consider the question of the appropriateness of certain taxes on a certain occasion. We discussed the constitutional question. I am not suggesting that constitutionally an excise duty is a wrong thing. I, therefore, have to express my difficulty that, in discussing this question of Bengal contribution, we are at a disadvantage.

Now, Sir, I am also against the method which the Government of India have selected in coming to a decision of this important question. When I spoke during the general discussion on the General Budget, I mentioned that when there was a likelihood of conflicting interests arising between the various provinces, it was a much better thing for the Government of India that a decision in matters of this kind should be left to an impartial body. During the discussion, my Honourable friend, Mr. Mudaliar, hinted that what I really wanted was that the decision should be left to a body like the Joint Select Committee. That was not also in my mind. I would not like any organisation like the Government of India or the British Parliament to give a decision in a matter of this kind. Any decision of Government is likely to create inter-provincial jealousies and is likely to give rise to agitations which are intended to influence the Government of India in favour of one Province or another. I, therefore, feel that where there is a likelihood of a conflict of interests between the different Provinces, it is a much better plan that the decision should be left to an impartial body.

The Honourable Sir George Schuster: Does my Honourable friend mean a body like the Meston Commission?



Mr. N. M. Joshi: I was coming to that point.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair cannot allow on this Bill an elaborate discussion on the justification or otherwise of the proposal of the Finance Member relating to the contribution to Bengal. That will be entirely out of order.

Mr. N. M. Joshi: That is exactly what I say. If there had been a separate Resolution, we could have discussed that question, and what I also mentioned in the beginning was that if the Honourable the Finance Member had not also connected the two, I would not have referred to this subject, but he himself has stated that the two things are connected.

Mr. President (The Honourable Sir Shanmukham Chetty): Whatever the Honourable the Finance Member might have said in his speech, the vote of the House on the Matches (Excise Duty) Bill will not give any indication of the mind of the House on the contribution to Bengal. If the Honourable Member, Mr. Joshi, votes against this Bill, it is not an indication that he is against the contribution to Bengal and *per contra* even if he votes for the Matches (Excise Duty) Bill, that cannot be construed as Mr. Joshi having approved the contribution to Bengal.

The Honourable Sir George Schuster: May I point out that the House has already in fact approved the contribution to Bengal by passing the demands for grants.

Mr. President (The Honourable Sir Shanmukham Chetty): A vote on the Matches (Excise Duty) Bill cannot be construed as expressing the opinion of the House on the merits of the question relating to the contribution to Bengal.

Mr. N. M. Joshi: I shall not deal with that question at great length. However, you would permit me to make my attitude on this question clear only in a few sentences. The Honourable the Finance Member asked me whether I wanted a Committee like the Meston Committee. What I really wanted was that there should be a small Committee of independent men, even a Meston Committee would be preferable to the Government of India coming to a decision on this question. I would inform the Honourable the Finance Member in that respect that although this subject of Meston contribution and inter-provincial contributions was discussed in this Legislature several times, I never spoke on the Meston Settlement as a Member coming from Bombay, I did not oppose the Meston Award on the ground that I felt that the Meston Committee was an arbitral Committee, and that Committee having come to a decision, it was my duty, as a citizen of India, to accept that decision willingly and even cheerfully. I feel if India is to be free from inter-provincial jealousies, we have to learn one lesson and that lesson is that whenever we have a conflict, we must be willing to place our conflict before an arbitration board and after having placed it before such a board, we must also be willing to accept its award. It is only by that method, Mr. President, I feel that India will become one country. I shall not go into that question at greater length, but I shall say this that if the Government of India wanted to make a contribution to Bengal and if the Government of India wanted two crores of rupees for that purpose or for any other

purpose, an excise duty on matches was not the right kind of tax at all. In one of my speeches during the discussion on the Finance Bill, I stated that the proceeds of the indirect taxation of the Government of India were proportionately much larger than were found in several other countries. The Taxation Enquiry Committee itself has stated very definitely that the proportion of indirect taxation in India is much larger than what it should be. The Honourable the Finance Member asked me if the money is to be found, what I would suggest. I may, as a private Member, say that it is not my duty to suggest to the Government of India what items should be taxed in order to find a certain amount of revenue. Sir, it is the responsibility of the Government. But I shall not shirk that question by saying that it is the responsibility of Government. I shall suggest that, if the Government of India had to find a revenue of two crores, they could have easily found that revenue by increasing the income-tax, or, if it is absolutely necessary, even by lowering the taxable limit of the income-tax. Sir, I would have supported the Honourable the Finance Member if he had brought forward such a proposal. If he wants another proposal, I would have also said that the Finance Member should have thought of imposing an income-tax on agricultural incomes, and if he wanted money specially for Bengal that would have been a most suitable tax for that purpose, because Bengal is a Province where you can really secure a large revenue by imposing a tax on agricultural income, and if all the proceeds of a tax on agricultural income had been given to Bengal, there would have been no unfairness to Bengal. But, Mr. President, it is not my purpose to suggest proposals to the Honourable the Finance Member to find out the revenue which he wants. At this time, I must, therefore, confine myself to the discussion of the merits of the excise duty on matches.

I feel that it will be admitted by everybody that whatever may be the merits of the excise duty on sugar, the excise duty on matches is bound to fall wholly on the consumers in this country. It is a tax which will be paid by the people who use matches in this country. I feel that from that point of view, it is a wrong tax. I am not opposed to every kind of indirect taxation, but an indirect taxation of this kind which falls upon an article which is an article of necessity for all classes of people in this country is a bad tax. I admit an excise duty on matches is not as bad a tax as the salt tax. I shall even say the excise duty on matches is not as bad a tax as the tax on kerosene, but surely it is not a tax which can be said to be a tax on luxury. I, therefore, feel that the excise duty on matches is a wrong tax if Government want to find some revenue to meet their deficits. Not only is the tax an unjust one, but the tax is an excessive one. It has been pointed out by several speakers that we propose to put a tax of one pice on a match box which is costing at present half a pice. There should be some limit to the taxation which the Government of India should impose on an article of necessity to the common people of this country. I am quite aware of the fact that the Finance Member holds the view that if the Government of India are to find revenue, a substantial amount of revenue, they must levy a tax on articles of common use to the common people of the country. He has made that quite clear. But I feel that even the Honourable the Finance Member holding that view should try to distribute the burden more equitably than I feel he has done. I, therefore, feel that not only is the tax unjust, but it is also excessive. I hope, therefore, that, the Legislature will not support him in that respect.

[Mr. N. M. Joshi.]

I should like to say a word about the system of licensing which the Finance Member has introduced in this Bill and that word is to express my approval of that system. I had proposed before in this Legislature that whenever Government want to impose high duties on articles either for protection or even for revenue when the effect of that taxation is to protect an industry, the Government of India should impose certain conditions on that industry. The system of putting an industry under a license is a system which will enable the Government of India to impose their conditions on an industry with the greatest ease. I, therefore, fully approve of the proposal of putting this industry under a system of licence.

My Honourable friend, Mr. Das, and my Honourable friend, Mr. Raju, made certain remarks about foreign capital being introduced in this country to carry on certain industries. From my labour point of view, I absolutely make no difference between Indian capital and foreign capital. Indian capital and foreign capital both equally supply employment to labour, and, from that point of view, I have absolutely nothing to complain about. Moreover I feel that if the country follows the policy of protection, it is only natural that we should expect foreign capital coming to our country and establishing industries and I feel that on the whole the country will not lose much. Even then I am quite prepared to say that if the Government of India accept my proposal of imposing conditions upon an industry, then certainly it is much more easy for Government to impose conditions upon the industry in which the capital is foreign capital.

Sir, I shall make only a few remarks on another point which was raised by my Honourable friend, Diwan Bahadur Mudaliar. My Honourable friend stated that the Honourable the Finance Member has quered the pitch of the Indian Federation by imposing these excise duties. Sir, I am entirely in agreement with my Honourable friend, the Diwan Bahadur. Not only do I feel that the Government of India have quered the pitch of the Federation, but I feel that by introducing these excise duties, before the Federation comes into existence, the Honourable the Finance Member has created a great difficulty for the Federation coming into existence. If the Indian States begin to enjoy revenues coming from the proceeds of these excise duties, some of them will insist upon the amounts being left with them for their enjoyment. Some of them may make it a condition of their entry into the Federation, that they will not enter it unless they were given the proceeds of these excise duties. I, therefore, feel that the Honourable the Finance Member has done a great wrong for the future Federation in introducing these excise duties at this time. Sir, for all these reasons, I feel that this duty on matches is a wrong duty and the Legislature should not approve of it.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, there is a proverb in Bengali. "*Dhan bhante Shibér geet*", i.e., reciting songs about Shiva when you are husking paddy. The debate about this Bill providing for the imposition and collection of an excise duty on matches has brought about certain aspects of a certain contribution to Bengal and that in a way which was neither complimentary to the gentlemen who spoke on the subject nor relevant to the subject-matter under discussion. Sir, I sigh for the days of Sir Phirozeshah Mahata and Sir Surendra Nath Banerjee when fifth rate and sixth rate men were not the arbiters of our political destiny either as the opposition or as

those sharing the responsibilities of Cabinet Government. That a portion of this excise duty ear-marked for Bengal will go to Bengal does not appear anywhere either in the Bill or in the Statement of Objects and Reasons to which we should confine our attention at the present moment.

Mr. N. M. Joshi: It is in the Finance Member's speech.

Mr. Amar Nath Dutt: Even if the Finance Member introduced that matter in his speech, I think he did it merely to show how this excise duty was necessary in order to meet the expenses which the Government of India will have to incur in the next year, not that, because we are contributing certain money to a certain Province, therefore this excise duty was necessary to be imposed on the people. That was never his argument. That being the case, I beg to submit that my friends might have reserved their love of Bengal for their own Provinces where they might have utilised all those sentiments for the purpose of the next election rather than any purpose which is useful neither to the House nor, for the matter of that, to the Government of India.

Sir, it was also suggested that this expenditure about Bengal should have been brought about by a separate Resolution and that then we might have discussed all those things; and even my friend, Mr. Joshi, would go to the length of having something like the Meston Award against which we in Bengal have a good deal to complain as an unfair settlement of our claims. But that subject is certainly not quite relevant to the matter under discussion, and I shall confine myself now to the Bill itself. I have gone cursorily through the Bill, because it is a very petty Bill and we will have to deal with it daily in our law Courts and for us, who are practical lawyers dealing with these small enactments which provide for punishment, there seems to be some omission here and that omission will be apparent as soon as I submit before the House why I say it is an omission. I mean that there is no definition of "matches" anywhere in the Bill itself. That is necessary in view of the tax which is going to be proposed; and in this connection I am thinking of the poorest classes. I, of course, refer to those poor classes of people who are not my friend, Mr. Joshi's clients, because Mr. Joshi wants to have labourers living the same life as my Honourable friend over there and that is his idea of socialism. But, apart from that, we, who live in villages, cannot but think of the poor people who are satisfied with their poverty and do not want to have either a Karl Marx or a Lenin to improve their situation, but who know that they are living far more happily than if a prophet like Karl Marx had come to their rescue. And they are men who do not use a match box but light the fire with an indigenous apparatus which is known as *chakmaki* in Bengal, namely, a stone and a piece of steel and cork by rubbing which he lights the fire. But, in order to light their lamps, they have to take some sticks pointed with sulphur, and if those sticks are called matches, I submit it will really be a tax on the poor and that should have been made clear here, that small sticks pointed with sulphur are not matches, because I find that in clause 4(c) it is mentioned "matches not in boxes". There is some confusion of ideas and it would have been better if the word "matches" had been defined. If the intention of the Honourable the Finance Member be to tax even those lighting sticks containing sulphur only, then I must respectfully submit that I shall be bound to oppose this excise duty . . .

The Honourable Sir George Schuster: I am afraid that even if it were my intention, I should be unable to carry it out: because we should be quite unable to tax sticks of that kind: but if it will help my Honourable friend to cut short his speech, I may say that this is a point which we shall have to consider in Select Committee: the question of the definition of matches is one of the points which have been brought to my notice which I think will have to be considered in Select Committee.

Mr. Amar Nath Dutt: I am very thankful to the Honourable the Finance Member for saying that this will be taken into consideration, and I hope that those Members who will go to the Select Committee will consider this matter. I do not think I need say anything further on this as the Bill goes to Select Committee where improvements will be made. With these words, I resume my seat.

Sir Cowasji Jehangir: Mr. President, this is the third time that the Honourable the Finance Member has come before the House with a demand for the sinews of war. It is rather exceptional that we should have to discuss Government's resources on three different occasions: first, in the Finance Bill, then in the Sugar (Excise Duty) Bill and now on this Matches (Excise Duty) Bill. Really, all three Bills are for the same object. But I would like to ask my Honourable friend a few very pointed questions.

It is the duty of this House, when it sanctions taxation, to assure itself that Government are in a position to collect and will collect that taxation. With regard to this particular tax, I am reliably informed that Government will get precious little for the next nine months. Matches have already been made in anticipation of my Honourable friend's Bill. That is my Honourable friend's business, not mine. But there are other provisions about which I have considerable apprehensions. He states in the Statement of Objects and Reasons that he has already entered into an agreement with certain Indian States, and that he hopes to enter into agreements with other Indian States who have factories within their territories or who may have factories in the future, and that these States have agreed to levy an excise duty on matches manufactured in their States, that all the money is to go into a common pool and the States are to get their share on an estimated consumption basis. I want to know what this estimated consumption basis means. When you tax a commodity like matches to the extent contemplated under this Bill, you are liable to make a commodity which is a necessity of life into a luxury. If it was a necessity of life and is considered by Government to be a necessity of life, I contend that the conditions under which the poorest classes live in Indian States are very different to the conditions under which they live in British India, and I trust that my Honourable friend is not going to return the excise duty collected in Indian States on any population basis. This House will have to be assured that Government will get their due share of the excise duty collected in Indian States. We have had very bitter experiences in the past, and I do not desire that Government should again make mistakes as they have made in the past with regard to an important measure of revenue such as the excise on matches. I do not know whether it will be open for the Select Committee to discuss with the Finance Member what he means by an estimated consumption basis. If he gives us an assurance that we can discuss it fully in Select Committee, I will pursue that matter no further just now . . .

The Honourable Sir George Schuster: Certainly that can be discussed in Select Committee.

Sir Cowasji Jehangir: Then I will pursue that matter no further, and I trust that in the Select Committee assurances will be given such as can be embodied in the Select Committee's report and which will meet with the approval of this House.

Now, I am coming to a very important principle. When Government in any country come before their Legislature with a demand for supplies, they have got to assure that Legislature that they have done all they can and are doing all they can to collect such revenues as the Legislature has already sanctioned. It is only when the House and the public are assured that the administrative machinery of Government is efficient, that all revenues sanctioned are collected, can any House have the justification of sanctioning further taxation. I do not think that this House is fully assured or the public, that the Government collect all the revenues that have already been sanctioned, and, therefore, I desire to raise this principle on this Bill, which seeks our sanction for further taxation for revenue purposes. I contend that Government have not done justice to themselves or to British India with regard to their customs duties. I contend that they lose a very large amount of revenue through the diversion of trade due to certain measures taken by our friends, the Indian States, who have ports within their territories, and I think the time is now ripe that the Government should give this House and the public a definite assurance that they will do their best, that they are doing their best, to collect all customs revenues that this House has sanctioned. Until and unless an assurance is given that Government will collect all the revenues we have already sanctioned, I trust that this House, every Member of this House, will resist further taxation. Sometimes it is said we do not have a sense of responsibility on this side of the House. I claim that when we insist upon Government collecting the revenues that we have already sanctioned, we show a greater sense of responsibility than my friends on the opposite Benches who neglect to take such measures as are in their power, to collect such revenues as we have already sanctioned. If there is a talk of responsibility, I maintain that a lack of responsibility has been shown by my friends opposite and a sense of responsibility has been exhibited by Honourable Members on this side of the House when they insist that Government shall not tax us further while they do not collect the taxes we have already sanctioned. Mr. President, there has been clear evidence that there is a screw loose somewhere. The diversion of trade from some of our big ports shows that there is a loss of revenue to the Government of India. What assurance is my friend, the Finance Member, or—I do not see him here, my friend, the Political Secretary, going to give us that they will tighten up the administration, that they will tighten up those screws that are evidently loose, and that they will collect every rupee of the revenue that is due to them. I want to have those assurances on the floor of the House before I agree to being further taxed by such a measure as the one before us.

Mr. President, on a matter of principle, I am not against the excise duty on matches. It was one of those sources of revenue on which we laid great stress, on which we hoped the future Federation would be able to rely for more than their own requirements. We, who come from the

[Sir Cowasji Jehangir.]

Provinces, including Bengal, were hoping to get a part of the taxes on the excise on matches, but, Sir, long before the Federation begins to function, my friend has tapped that source of revenue. Now, Sir, if it is really necessary, if my friend is really hard up, well it is not for us to say, we shall not investigate immediately this new source of revenue. We shall investigate it, but before we investigate this source of revenue, which was undoubtedly ear-marked for the future, we want the assurances that I have already referred to, assurances which Government are in a position to give. We have heard a great deal about the inability of the Government to do all they can do with regard to collecting the customs duties which really ought to go to the treasury of the British Government in India. I see no difficulties. We have heard a good deal about the principle of paramountcy. I am going to ask the Government for a definite assurance today that they will exercise their rights under the principle of paramountcy to see that they are not deprived of their legitimate revenues sanctioned by this House. I am going to ask for those assurances just now before this debate concludes, and if such assurances are not forthcoming and to the satisfaction of this side of the House, I am going to appeal to my friends behind me to consider this measure in the Select Committee most carefully and to await Government's assurances with regard to the measures they are going to take. I have no desire to deprive any Province of their just dues. I have said all along that we in Bombay are jealous of no one. We sympathise with all in their trouble. We ask for the sympathy of all in our troubles, and, only when there is such mutual sympathy throughout India between different communities, between different sects, between different Provinces and different parts of India, will India be able to attain Swaraj, and, therefore, we are not jealous, but if we have complaints to make, if Madras has complaints to make, I will ask my friends here to support us and demand from Government that we too should get our legitimate requirements from the Central Government.

Sir, I quite realise that this tax on matches would not have been levied had it not been for the dire straits in which the Bengal Government find themselves today, and I am prepared to consider a measure of taxation for that purpose, but I do desire that the Government of India shall not forget that this source of revenue was ear-marked for the assistance of other Provinces along with Bengal who are in exactly the same position as Bengal. By all means let Bengal get what has now been actually promised and voted to Bengal. I would like to remind the House to what extent we have gone and committed ourselves, to what extent we hold out a friendly hand to our friends from Bengal. We have already voted a certain amount of money without being assured in any way that this Bill will bring to the Government of India what they expect it will bring during the next year, and if it does not,—and I have great apprehensions it will not,—then we have committed ourselves to giving Bengal that assistance from the general revenues. Whether this Bill fails to bring in the required amount or not, I am prepared to commit myself ever to that extent,—I do not know whether the House realises what it has done,—I am prepared to do it with my eyes open,—I did not wish to raise that point,—but I do desire that Honourable Members should fully realise it, and I do hope my friends from Bengal, including my

friend, Sir Abdur Rahim, will acknowledge that we have played the game by Bengal. It may be, Mr. President, that this Bill, even if it is passed and accepted by this House, may bring in next to nothing during the next year. If what I hear is true that the match factories have already manufactured matches which will last this country for the next nine months, then this Bill is going to bring in only one-third or one-fourth of what the Finance Member has stated. The balance will have to be made up out of the general revenues and handed over to Bengal, and it will be a deficit in my friend's Budget to that extent next year. If I am wrong, I stand open to correction, but that is the position as I see it. We have committed ourselves, willingly committed ourselves, and I want my friends from Bengal to acknowledge that we have done so much, and in return I ask my friends to assist all other Provinces which may be in the future or which are in the same position as Bengal. I can tell my Honourable friend, the Finance Member, that although he is to leave us—and we shall miss him,—he should make a note on his files that Bombay is not going to rest content unless her legitimate grievances are remedied, and Bombay will insist and beg of this House not to grant Government any further taxation until the Government take such measures as are effective to collect all the revenues that this House has already sanctioned. You come before us three times for money. You come before us with a Finance Bill, you come before us with a Sugar Bill, you come before us with a Match Bill, and you deliberately throw away as much revenue as this Bill will bring in. I say, deliberately, and I use the word with a full sense of responsibility. Is that a Government,—is that a Government with a full sense of responsibility, and who talk to us, non-officials, helpless as we are, of having no sense of responsibility? I accuse the Government of having no sense . . .

The Honourable Sir George Schuster: My Honourable friend is going too far. He started by saying that what he wanted was an assurance. He has given me no chance of giving the assurance he has asked for, and he has now proceeded to accuse me of deliberately throwing away something like Rs. 200 lakhs of money!

Sir Cowasji Jehangir: I do accuse the whole Government, and not you alone,—I do accuse the whole of the Government on the opposite Benches of having for the last few years closed their eyes to the fact that a certain amount of revenue was not being collected which could have been and ought to have been collected. And I ask for an assurance that that state of things will not continue in the future. Two different things—the past cannot be remedied, the money has gone. I cannot ask the Government to raise it again. But I make that accusation, and I ask for the assurance. It is no use crying myself hoarse in this matter, but let the dead past bury its dead, and let us begin anew and let us see that you are in earnest and that you really mean to tackle this problem, however difficult it may be, however difficult the times may be in which to do it. It has to be tackled and it must be tackled, or else you have no right to come to this House for further taxation. One or the other, take your choice. Don't come with such Bills before us and ask for further taxation, or take such measures as are effective and as will bring you a very large amount of money from the taxes that have already been sanctioned. Sir, we will consider in Select Committee all the provisions of this Bill. Matters which may be inequitable will be readjusted, will be

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considered. My Honourable friends here, some of them, mentioned the question of foreign companies in this country. There are companies in this country who manufacture matches, who do not happen to be Indian companies. But I understand, Sir, with regard to one of those companies called the Swedish Match Company which are the managing agents of a Company called the Western Indian Match Company, that the majority of the directors are Indians and that the share capital raised by that Company is only Rs. 50 lakhs out of a block account of 1,20 lakhs, that they were prepared, I understand also, to offer the rest of the capital to the Indian public, but their prospectus and their financial condition was such that it appeared not very likely that the Indian investor was going to jump into such a venture just now.

Sardar Sant Singh (West Punjab Sikh): Has it not closed its doors?

Sir Cowasji Jehangir: No, no, it is working. It met with a disaster in 1932, a world crash, in which this Company was very seriously involved. I understand that they are prepared to offer the rest of the capital to Indian investors, but they have not much hope that the Indian investor will jump at the offer. I understand that, from the administrative point of view, the Company is being Indianised. I also understand that a large amount of wood used is wood grown in India now— it was not so, but it is now,—and that the wood imported is only used for a very small quantity of matches which may be called luxury matches of the very finest quality which very few people buy. That, I understand, is the position, but I think the whole question should be considered in the Select Committee, and under no circumstances should purely Indian companies be in any way handicapped. My own understanding of the position is that the purely Indian companies have increased their production within the last four years from 10 to 50 per cent. If that is so, it is something to be proud of, and we all hope. . . .

Mr. B. Sitaramaraju: Have you any information about the Japanese firms?

Sir Cowasji Jehangir: I have no direct information about Japanese firms, but I think we can make enquiries in the Select Committee. I think my Honourable friend is a member of the Select Committee. It will be our duty to investigate these things and to see that no unfair advantage is gained by any section of the trade over the other. Mr. President, I have nothing further to state. I do hope,—although my remarks have been rather heated, I had justification for them, and I owe this House no apology for bringing forward a matter which concerns the Government of India and their revenues and my own Province and the port built in Bombay of which every Honourable Member has a right to be proud. That port of Bombay does not belong to Bombay alone. It belongs to all parts of India and my Honourable friends will realise that it is from this port that they usually sail for Europe and we have the honour of receiving them, and it is at this port that they come on their return journey. It is their port as well as ours, and we claim their support. Every one of the Honourable Members must see that no undue advantage is taken over this port by the unequitable measures of port authorities outside British India, and it is the duty of this Honourable House to see that my

Honourable friends opposite wake up to their responsibility and collect the revenues that are due to them and thus also help the Port of Bombay.

The Honourable Sir George Schuster: Sir, . . .

Mr. President (The Honourable Sir Shanmukham Chetty): What time will the Honourable Member take?

The Honourable Sir George Schuster: I do not think I will take long. I will try to finish in ten minutes.

As I approach the end of my time in India, I am filled sometimes with feelings of regret, and sometimes almost of relief . . .

Sir Cowasji Jehangir: I hope that my remarks have not had anything to do with that feeling of relief to which he refers. It was not personal to him, but it was addressed to the Government of India. May I say that the Finance Member is the least responsible? I have made the accusations against the whole of the Government of India. I have levelled them against the whole of the Government, but perhaps I may say that the Finance Member is the least responsible.

The Honourable Sir George Schuster: My Honourable friend has rather spoilt the point of my remarks. What I was going to say was that I was filled with a certain feeling of regret that it looks as if it will never be my luck to sit on the opposite Benches while my Honourable friend occupies a seat here. I admit, of course, that I should not be able to imitate or reproduce his minatory mien and tone, but at the same time it would undoubtedly give me some satisfaction to be able on occasion to criticise my Honourable friend and call him to account for every possible or every imaginary shortcoming—which, I feel sure, even he would be guilty of as a Member of the Government of India. If my Honourable friend had stopped before the last five minutes of his speech, I had been going to say that there was practically nothing in this debate with which I felt inclined particularly to quarrel. I sympathise with my Honourable friend himself in his criticism of our procedure this year in making three bites of a very sour and unpleasant cherry. It would have been much better if we could have dealt with the whole taxation programme in one. I realise also that there is a great deal of force in what my Honourable friend, Mr. Joshi, said about the procedure which we have followed in connection with this proposal for a special grant to Bengal. I feel in many respects much like my Honourable friend himself does on that subject. It might have been possible, though I do not myself quite see how it could have been fitted in, but it might have been possible to deal with that proposal in the form of a special Resolution; and certainly if there had been a demand from the House,—and I would remind my Honourable friend that he himself is a Member of the House and not perhaps the least vocal of its Members,—if there had been such a demand in the course of the discussion of the Budget we should certainly have considered it most seriously because there are certain aspects of this matter which I should have been very glad to have fully discussed by the House. My friend, Mr. Mudaliar, took me to task the other day for having ventured on that observation and credited me with motives which I hope he does not really believe. I definitely thought that this matter should be fully discussed for several reasons. I will mention one reason in particular to illustrate my meaning. I made it clear in my Budget speech that this proposal of ours to help Bengal is definitely dependent on a particular condition. We feel

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that if the Central Government are to come to the help of Bengal, then the Central Government must satisfy themselves that Bengal is doing everything possible within her power to help herself. Indeed it is only on satisfying that condition that we can have a real answer to some of the criticisms that have been made on behalf of other Provinces like Bombay that we are putting a premium on extravagance and that they have subjected themselves to a much heavier burden, much more self-denying ordinances than Bengal has done. It would have been valuable to discuss a condition of that kind, and we should have been glad to have the opinions of the House upon it. In that connection I wish to make one further observation. My Honourable friend, Sir Cowasji Jehangir, has warned us that we may not be able to collect the full revenue from the match excise duty this year. I recognise that that is indeed a possibility. The amount of revenue which we collect will depend on the amount of issues from factories during the current year, and if there is a very large accumulation of stocks already issued, obviously this will have to be worked off before the normal flow of issues from factories begins.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhamadan Urban): It is not confined to issues from factories.

The Honourable Sir George Schuster: It is always difficult in introducing a measure of this kind to stop an undesirable period during which those who have the excisable articles to sell have the excise added to the price, although the article which they are selling has not paid the excise. I trust that we shall find that in the case of matches that normal position is not an exaggerated one, but we must face the possibility that there may be some loss of revenue in this matter. If that should attain serious dimensions, then we shall have to consider the whole position, but I would prefer to discuss that matter further in the Select Committee.

Now, Sir, most of the points that have been raised in this debate are essentially matters for discussion in the Select Committee. Several speakers have referred to the fact that by our proposals, as they stand in the Bill, we are standardising a certain size of box of matches and that we shall be increasing the price of that box of matches one pice to two pice. We recognise that there may be disadvantages in that result, and that is a matter which will have to be discussed in Select Committee. I think that I might leave practically everything else that has been said on that subject to be covered by that formula of mine that it is a suitable subject for discussion in Select Committee.

There are only two other general points on which I must say something. There has been a certain amount of talk by one or two speakers about the position of the largest group of match manufacturers in this country and about assurances that have been given in the past as regards steps which they were to take in order to ensure that a larger proportion of their capital was held by Indian investors and that their whole staff would be further Indianised. If I am pressed on this matter, I am ready to give a very full account of what the Government of India have done, but I would prefer not to deal with it fully now. I may merely say this, that the Government of India on their side have done their best to give effect to what was formerly proposed, and I would also say that this particular match concern on their side have also been ready to give effect to the general arrangements which we had in view. There have been definite difficulties as regards their taking an occasion to put more of their capital into Indian hands. The times have

not been propitious for issues of shares, while everyone, I think, is aware of certain complications which have occurred as regards the group to which that particular concern belongs; but I must say this, that we have no reason to suppose that on the part of the Company there has been any unwillingness to proceed along the lines that Honourable Members want. They have also taken very definite steps towards Indianisation of their own staff and to give proper opportunities for Indians to be trained as specialists in that particular line of manufacture. I think, Sir, that I may leave this matter with that general account.

Then, I turn lastly to what my Honourable friend, Sir Cowasji Jehangir, has said as regards our loss of revenue in other directions, revenue, he said, for which we had obtained the authority of the House, and revenue which by our own gross negligence we were losing. Now, Sir, if my Honourable friend wants an assurance that we in the Government of India are fully alive to certain dangers and that we are going to take every possible step we can take within our rights, then I can give him that assurance without any sort of hesitation. (*Sir Cowasji Jehangir: "Hear, hear."*) I would say further that I welcome the interest which my friend is taking in this matter, and I fully recognise that he is displaying a proper sense of his own responsibility to the public of British India in taking the line that he has taken. My Honourable friend, I think, is probably aware of the difficulties in the situation owing to the existence of certain ancient treaties and agreements, and he is also aware that all that we can do is to stop abuses of the situation created by those treaties and agreements. Therefore, as I am sure my Honourable friend is aware of that position, I must take exception to the charges, the definite charges that he has levied that we have deliberately sacrificed large sums of revenue, or if not deliberately, at least that we have done so as a matter of negligence which, in legal terms, is so gross that it amounts to a deliberate purpose. Sir, I must rebut that charge. We have been fully alive to the situation. We have not been blind to the dangers, nor have we omitted any steps that we can possibly take. But there are certain aspects of the matter which are perhaps assuming a more acute form now, and as regards these, I can give my Honourable friend an assurance—and indeed I thought I had already done so in this House in answer to other speeches made by other Members from Bombay at an earlier stage in our financial discussions. Sir, that is all that I need say on that particular subject. In general, I think we may all congratulate ourselves on having got through this discussion with a strict attention to material points and on being able to enter upon our discussions in Select Committee in an atmosphere which bids fair to help us all in producing a reasonable and business-like measure. (Applause.)

Mr. President (The Honourable Sir Shammukham Chetty): The question is:

"That the Bill to provide for the imposition and collection of an excise duty on matches be referred to a Select Committee consisting of Sir Cowasji Jehangir, Mr. Rahimtoola M. Chinoy, Mr. S. C. Mitra, Mr. B. Sircaramaraju, Mr. B. V. Jadhav, Mr. Sitakanta Mahapatra, Sardar Sant Singh, Mr. R. S. Sarma, Rao Bahadur S. R. Pandit Mr. N. N. Anklesaria, Pandit Satyendra Nath Sen, Sardar Harbans Singh Brar, Sir Leslie Hudson, Sir Percy Lindsay, Mr. A. H. Ghuznavi, Mr. Muhammad Anwar-ul-Azim, Dr. R. D. Dalal, Mr. D. N. Mukherjee, the Honourable Sir Frank Noyce, and the Mover, with instructions to report within seven days, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

THE INDIAN STATES (PROTECTION) BILL.

The Honourable Sir Harry Haig (Home Member): Sir, I move:

"That the Bill to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to interfere with such Administrations, as reported by the Select Committee, be taken into consideration."

In moving this motion, it is not necessary for me to say more than a few words. It is unfortunate, but it has been inevitable that the discussion on this Bill has had to be interrupted for a period of about six weeks. The House is well aware that that interruption was necessitated by other urgent legislative business, but I do not think the House will by this time have forgotten our earlier debates. They will remember that the Bill, after full discussion, was referred to the Select Committee on the 7th February and that the Select Committee's report was presented on the 14th of February. The Select Committee has made a number of amendments which were intended to meet some of the main criticisms that emerged during the debate.

In the first place, there was a general criticism that it was undesirable that legislation of this character should take the form to any extent of an amendment of the Indian Penal Code. We felt in the Select Committee that was a reasonable criticism and the House will see that we have struck out two of the clauses of the original Bill and have substituted a new clause 2 which states the new offence directly and not by reference to any amendment of the Penal Code. In the second place, we have tried to meet what was perhaps the most effective criticism made of the original draft of the Bill, a criticism which was voiced by my Honourable friend, Sir Cowasji Jehangir, namely that the Press provisions might have this result that a mere narration of facts which, as he said, might in certain cases be bound to excite disaffection would be penalised under the Bill as drafted. We have, as we believe, met that point by inserting a new *Explanation* in clause 3 providing that statements of facts made without malicious intention and without attempting to excite hatred, contempt or disaffection shall not be deemed to come within the provisions of the Press restrictions. Finally, a number of smaller amendments have been made which have been suggested by members of the Select Committee with the general intention of making the provisions of clauses 4, 5 and 6 of the Bill more specific. In particular, there had been some criticism that the word "interference", which we had used with regard to the provisions intended to prevent interference with the administration of the States, was too wide and too vague, and we have substituted the word "obstruction" which we think conveys a clearer and a more definite idea. A minute of dissent was appended to the report of the Select Committee. With reference to that, I would call the attention of the House to the fact that those who signed that minute agreed in the principle of certain important provisions of the Bill. They made it clear in their minute that the Indian State's Administrations should be protected from conspiracies formed in British India in order to overawe such administrations and from

the formation of *Jathas*. Their main objection was to the provisions relating to the Press. Well, Sir, I have no doubt that in the course of the debate the views expressed in that minute of dissent will be further elaborated and I do not think it is necessary for me now to attempt to meet the detailed criticisms in advance. I shall have an opportunity of dealing with them at the close of the debate.

Sir, I move:

Mr. President (The Honourable Sir Shammukham Chetty): Motion moved:

"That the Bill to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to interfere with such Administrations, as reported by the Select Committee, be taken into consideration."

Sardar Sant Singh (West Punjab: Sikh): Sir, the more the time passes the more laws are enacted and these have been so numerous now on the Statute-book that it is impossible for any lawyer even to remember the names and titles of the Statutes. Sir, the simpler the society, the simpler the laws, and, the more complex the society becomes, it is more difficult to regulate the conduct of the members of the society. The theory of legislation, as I understand it, requires that the law should lay down the principles on which human conduct is to be regulated. The definition of such principles is necessarily restricted by the language difficulties. But when a particular Administration, instead of ruling the country by the rule of law, begins to attach more importance to the maintenance of order than to the maintenance of the rule of law, the Administration seeks to be armed with extraordinary powers of repression. The Montagu-Chelmsford Reforms brought with them an enthusiasm for repeal of the repressive laws by the newly constituted Central Legislature. Most of the repressive laws were repealed by earlier Assemblies. But, later, the pendulum swung to the other side and we find the executive authorities asking for more repressive laws and still more stiffer laws, with the result that every Session has found a new repressive law introduced in this House. The latest type has come in the form of protection to the administration in the Indian States.

Sir, so far as I can understand, the permanency of a State depends upon the existence of the good laws wisely administered. If the laws are bad, the State is bound to crumble down sooner or later. Even if the laws are good, but badly administered, the State cannot claim a right to obedience to those laws by its subjects. History tells us that when the laws became too oppressive for the subjects to bear, the people rose in rebellion to break those laws and the whole administration was upset. The jurists admit the right of the subjects to rebel under certain conditions. The right to rebel against an established, but tyrannical, authority is as important a right as an obligation to obey the laws of the administration.

An Honourable Member: Divine right.

Sardar Sant Singh: Yes. Similarly we have to see, when we are going to do away with repressive laws altogether. Has not the time come when we should cry halt to this mad desire for more power to repress, and say, so far and no further. But the Honourable the Home Member,

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the all powerful in this country, seems not to be satisfied with the arms in his armoury, and wants, with the advance of military weapons of war, further weapons in order to suppress even the legitimate constitutional agitation to ventilate the grievances of the people. Here is a Bill devised to meet those cases where agitation is carried on not against the Government established by law in British India, but against a neighbouring State, a State whose administration is not based upon any principle and where the will of the despot placed by chance or by accident of birth on an ever shaking throne of a particular State is law unto his subjects and who allows no scope to his subjects on the platform or in the Press or anywhere to ventilate their grievances. What then are the subjects of that State to do?

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): Why should not the subjects rebel in the State if the States are so bad?

Sardar Sant Singh: My Honourable friend puts a very relevant question, why should not the subjects of that State rebel against that State? Yes, I quite agree that, in some cases, conditions have been brought about where the right to rebel has already accrued where the subjects will be morally and even legally justified to unfurl the banner of rebellion against the administration that tyrannizes over them. My Honourable friend, Mr. Ranga Iyer's desire would have been gratified by an exhibition of uprisings, at any rate in some of the States if the supreme hand of the Paramount Power had not been extended for protection of their misrule. By extending their protection to the State the power of resistance to the abominable laws of that State have been completely taken away from its subjects.

Mr. C. S. Ranga Iyer: Is the Bill aiming at the protection of the Paramount Power or the States? Is the Bill increasing the power of the Paramount Power or making it impossible for British Indian subjects to engineer rebellion within the States?

Sardar Sant Singh: My Honourable friend has very ingenuously put this question, and my reply to that question in very simple language is this. I do not know whether it will increase the power of the Paramount Power or not, but it certainly will weaken the resistance of the States subjects to the evil which admittedly exists in the administration of these States.

Mr. C. S. Ranga Iyer: Does the Honourable Member approve of the idea of British India being made the arena for creating rebellion in those States, for this Bill has nothing whatever to do with States subjects.

Sardar Sant Singh: I quite approve that British India should provide a platform for the ventilation of grievances of these poor oppressed subjects of the States, because, if the grievances are just ones then why should they not be ventilated anywhere? I think, if I mistake not, England provided an asylum to the political refugees of other countries for a very long time (Applause) where the grievances were ventilated by those who were not British subjects. However, I come to the point under discussion.

Sir, if we carefully study the various opinions that have been received on the Bill and confine ourselves to the opinion of those who hold such responsible posts as those of District Magistrates of important districts, one point is absolutely clear and on which there is common agreement, and it is this that the States are badly administered and despotically administered. There is no Press, no platform for the States subjects to ventilate their grievances. If this is an admitted fact, may I ask most respectfully from the Honourable the Home Member whether the right that he asks us to confer upon the administration of a State on the British side that no agitation against any State or no ventilation of grievances shall be permitted on the British soil

The Honourable Sir Harry Haig: May I interrupt my Honourable friend. The object of the Bill is not to prevent the ventilation of grievances. That has been made clear several times already in the debates.

Sardar Sant Singh: The ostensible object is exactly the same as the Honourable the Home Member has stated. I take his word for it and I accept it. But what will be the actual effect of this legislation, what will be the practical effect? We agree to differ on that point. According to me, the practical effect would be that the ventilation of the grievances, such as the holding of the State Conference as was recently held at Delhi, would be impossible under this law. However, I shall deal with that point when I come to the particular clause in the Bill. But I take my stand on this that we are creating a right in favour of the States by not permitting the ventilation of grievances of their subjects on the British soil. Supposing I agree to the extension of such a right upon a State, what is the corresponding obligation which the State would undertake in the fulfilment of this right? What is the corresponding obligation which the States would accept? Will these States broaden their shoulders and allow their own subjects to ventilate their grievances in a manner known to the civilised administrations and which is conceded in British India? (Hear, hear.) Are these States prepared to allow reasonable freedom of the Press, freedom of speech? Will they learn that toleration and that forbearance towards criticism which is daily demonstrated by the Honourable Members of the Government in this House and which extorts admiration from us in spite of ourselves? Sometimes I know we use very harsh language towards the Honourable Members of the Government. There is the all powerful Home Member and there is none wielding such immense power in any state or even in any part of the world as the Honourable the Home Member does in India, and yet, when we use harsh language which must occasionally be causing pain to his feelings he listens patiently to us without entertaining any feeling of rancour against us. Can the Government give us any assurance that a corresponding obligation will be given by the States that they would allow their subjects to ventilate their just grievances in a constitutional manner and that they would bring up the administration to a certain minimum standard of civilisation? The necessity for insisting on a minimum standard of civilised administration of a State is pointedly brought home to us by a historical fact. I would like to tell the House that when the British people went over for trade to China, to Japan and to Egypt and to other countries did they not insist that the British subjects shall be tried by British tribunals and not by local tribunals under whose protection they decided to live? Recapitulations and trial by their own laws

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were insisted upon in every country of their temporary adoption. Why should we not insist that the State which demands such protection, must conform to some standard of civilised and human administration, and must give us some guarantee that they would allow their subjects, the freedom of carrying on constitutional agitation by peaceful and legitimate means?

Some people doubt even this much whether the demand for protection emanated at all from the princes.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): There was no demand.

Sardar Sant Singh: My friend, Dr. Ziauddin, says that there was no such demand.

Dr. Ziauddin Ahmad: I do not say that; it was said on the floor of the House by Government.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Was it said on the floor of the House by Government in the Simla Session that there was no demand from the princes for such an Act?

The Honourable Sir Harry Haig: No, Sir. Such a statement has never been made on behalf of Government, and it would not be accurate in my view. I think there is not the slightest doubt that the States in general welcome this Bill.

Sir Cowasji Jehangir: But did they ask for it, or demand it?

Mr. Vidya Sagar Pandya (Madras: Indian Commerce): Did not the Executive Council or Committee of the Princes' Chamber apply to Government for a Bill like this?

The Honourable Sir Harry Haig: I cannot say whether any formal application has been made by any State or any group of States, but the views of the States were perfectly well known to the Government of India before the introduction of this measure.

Sardar Sant Singh: While we are on this subject, I should like to ask whether any resolution to this effect was passed in the Chamber of Princes; and, if not passed, was any such resolution even tabled or appeared in the agenda that they wanted from the Government of India such kind of protection for the administration of States? If they did not express any desire, I do not see any necessity why a repressive law should be introduced in the Statute-book of India where we already find too many repressive laws. Therefore, if no demand has come from the quarter which should be interested in making such a demand, it would be quite a reasonable question to ask why should we incur the odium of placing another repressive piece of legislation on our Statute-book. If I mistake

not, the princes did not require their administrations to be protected against scurrilous attacks made in the Indian Press. If they want anything at all, it is protection of their persons, protection of their personal reputation and reputation of the members of their families and other near relations against the defamatory attacks that appear in the Press from time to time. The right method is to introduce a measure of that nature to protect them if the Princes Protection Act is not considered sufficient for that purpose. But this Bill does not extend protection in that direction to the persons of the princes or the members of their families. It professes to protect their administration. What is that administration? It has not been defined anywhere. Honourable Members will notice that in the amendments, that I have tabled on several clauses, I have suggested that after the word "Administration" the words "established by law" should be added. My object in putting this forward is that first of all we ought to be sure whether the administration of a State is established by law. Here is the case of Alwar in point.

The Honourable Sir Brojendra Mitter (Law Member): What law?

Sardar Sant Singh: That is exactly my difficulty. I will expect the Honourable the Law Member to enlighten the House on that point.

The Honourable Sir Brojendra Mitter: The Honourable Member wants not merely an administration, but he wants to qualify that by the phrase "established by law". I am asking him what law he has in mind.

Sardar Sant Singh: I base my argument on a similar expression in section 124A of the Indian Penal Code, where the offence of sedition is directed against the Government established by law in British India.

The Honourable Sir Brojendra Mitter: The Government of India is established by Parliamentary Statute. I am asking with regard to these States, what is the law which my friend has in mind?

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Can there be no law besides Parliamentary Statutes?

The Honourable Sir Brojendra Mitter: I only want to know what law is in the mind of my Honourable friend.

Sardar Sant Singh: My complaint is that there is no law (Laughter), and that is why there can be no protection to such an administration. Let my friend read the history of India with me for a minute. When the battle of Plassey was fought and the administration came into the hands of the East India Company which was a trading company, was it established by law then? Parliament's suzerainty had never been established. My friend, Mr. Sitaramaraju, has written a series of articles on that, and I will expect him to enlighten us on that subject. But, then, Parliament assumed responsibility for India and passed a law. What is the law by which the States are there?

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): I shall acquaint my Honourable friend with that, and, in two minutes, he will find himself hoist in his own petard, because every Indian prince can frame a law without the trouble of a Legislative Council. He issues a *firman*, and that is the law. Does he like that law?

Sardar Sant Singh: It is a very nice point made by the Raja Bahadur. He says that a prince can make a law for himself. Well, can the Maharaja of Alwar say that the administration is lawless now, and, therefore, he is coming to the State to resume his administration by merely issuing a *firman* that he would be put on the throne?

Raja Bahadur G. Krishnamachariar: But there is the army and the law of force against him.

Sardar Sant Singh: My Honourable friend, the Raja Bahadur, has given away his case by saying that there is the law of force. If it is a law of force, we have nothing to say. The law of force can protect that State. If anybody goes into that State with *jathas*, force will protect the administration of that State. Then, why do you enact this law? There is no necessity of enacting this law in that case.

Coming back to my subject and resuming the thread of my argument, my submission is that no protection against a seditious speech of a British subject or a State subject can equitably be extended to a State for the simple reason that there is no administration established by law. If the ruler says that he puts a man into jail for a certain number of years or for an unlimited and undefined period, it would be perfectly natural for a relation of his to come here and say that his father or brother has been put in jail for no offence, and without trial. It would be perfectly justifiable conduct for him to raise hue and cry in this part of the country. How can you say that such a man is a criminal and seditious one. Sedition against whom, and against what administration? An administration which is not civilised and which is not carried on on any principle. You want to punish me, because I raise a hue and cry here in British India against a very grave injustice done to me.

Raja Bahadur G. Krishnamachariar: What do you do in British India? Ask Mr. Mitra.

Sardar Sant Singh: I am ashamed to confess that British India got these manners from the Indian States.

Raja Bahadur G. Krishnamachariar: No, the States got them from British India.

Sardar Sant Singh: The position is this, that if you want to enact a law to protect the administration of a State, first of all you will have to place that administration on some basis, some legal foundation, on some system, however crude that system may be. When there is no system in the administration, my submission is that . . .

The Honourable Sir Brojendra Mitter: I should like to know, if my Honourable friend will pardon my interrupting him, what is the meaning of the word "legal" when he says that the State must rest on some legal foundation? Does he refer to municipal law or international law?

Sardar Sant Singh: I will answer that question briefly and in this manner. We know that in such cases we cannot have a Parliamentary enactment. That is out of the question from the very fact that the State owes its allegiance to the suzerain power which is the Crown. But we can have that sort of administration made by its ruler which bases the administration on

some sort of a Constitution, some system of Constitution. Let it be a despotic system, but there should be some system. When there is no system, how do you protect that system of administration? If we look into the administration of many of the States and examine them with a little care, putting on the spectacles of jurisprudence or the jurist's glasses, we will at once discover that the State administration is based upon no principle. It represents entirely the will and convenience of the ruler. I may or may not like the will of the ruler, and if I do not like the will of the ruler. I will certainly have a right to cry that injustice has been done to me, if that will strike me. Why do you gag my mouth from crying? There is no reason for it. The princes rightly do not want such a Bill. If there is no demand from the princes, and they are perfectly justified in making no such demand, because they know that, by making such a demand, there will be a corresponding obligation placed upon them to bring their administration into some sort of system, whatever that system may be. However, the Honourable the Law Member shakes his head and does not seem to agree with me: that is my misfortune.

The Honourable Sir Brojendra Mitter: No; I only suggested that it was no answer to my question: I get no light.

Sardar Sant Singh: I come now to the second point, and that is that such a legislation, as is placed before us in the form of this Bill, is necessarily an emergency legislation, legislation of an extraordinary character. What is that emergency for which this legislation is necessary? The Honourable the Home Member has just now stated that no demand has come from the States themselves.

The Honourable Sir Harry Haig: I think my Honourable friend is misinterpreting what I said.

Sardar Sant Singh: I interpret the statement that the Honourable the Home Member has made just now on the floor of this House that no formal demand has been made and that no resolution has been passed by the Chamber of Princes as amounting to no demand having been made at all. I interpret it in that language, and I proceed on this assumption that no formal demand has been made, and, therefore, there is no emergency . . .

Mr. Vidya Sagar Pandya: Does a resolution passed by the Executive Committee or the Council of the Chamber of Princes and submitted to the Government amount to a formal application or not?

Sardar Sant Singh: If there is no formal demand, there is no emergency, and if there is no emergency, there is no justification for such a legislation. Here is an opinion coming from the responsible Government of a Province where there has been less trouble from *jathas*, and, therefore, its opinion is not prejudiced in any way against either the *jathas* or the *State*,—I mean the Province of Madras: the Government of Madras say:

"The majority of the provisions of the Bill are *prima facie* of an emergent character and would appear to require considerable justification if they are to be made acceptable to public opinion."

That appears at page 21. I have tried to show by this that there is no justification for such a measure.

[Sardar Sant Singh.]

Then, I come to the point about *jathas*. This formation of *jathas* has seemed to frighten even a cool-headed Honourable Member like Mr. Aggarwal. He thinks that the *jathas* have been giving so much trouble to the States that they must be prevented from forming themselves and going into the State to create disturbances. The word *jatha* is a technical term. This technique was employed to an assembly of persons who marched into the Nabha State in the year 1923-24

An Honourable Member: What is the meaning of the word?

Sardar Sant Singh: *Jatha* means a collection of men.

An Honourable Member: What men?

Sardar Sant Singh: Punjabis. It is a Punjabi word which applies to Muslims as well. *Jatha* is a technical term employed in the Punjab, and it first came into prominence when organised bodies of men marched from British India to the Nabha State to get their grievances redressed. The grievance was that the State had interfered with the religious rites of the Sikhs in that State. *Jathas* came to be used—it has become a common term in the Punjab—even the police has formed a new *jatha* of their own and they call it a *jatha*—I forget the exact qualifying phrase, but it means a collection of miscellaneous men without any organisation, without any discipline. In cases where offences cannot be traced and no clue is found of an offender, this *jatha* is sent out to discover clues or the offenders: it is a legal body recognised by the police force in the Punjab. I do not say that it does not work well: it does work well

Khan Bahadur Malik Allah Baksh Khan Tiwana (Nominated Non-Official): It is never used in the police force in the Punjab.

Sardar Sant Singh: I think the Watch and Ward Officer is there, and he knows it very well.

The term *jatha* is assuming more importance now, because it has travelled from the Punjab to the Government of India, and it now finds its place in this legislation. The object aimed at is that this *jatha* should not be allowed to go and create disturbances or subvert the established administration of a State which is friendly towards British India. Quite so. A position will arise like this: suppose there is a religious feud between the ruler of a State and his subjects, just as it happened in the case of the Nabha agitation—there was no political motive behind it; there was no need to create any disturbance in the State or subvert the administration of a State; but the need was that the reading of the holy “*Granth Sahib*” was prevented by the authorities of the State and the *jathas* went there to recite the holy “*Granth Sahib*”. How can you prevent it? That will be interference with the religious liberties of the subject. Nobody can deny that the religious beliefs of the people living in British India as well as in Indian States are common; their ceremonies are common, their methods of worship are common. How can you distinguish between that *jatha* and a *jatha* which goes there for political purposes or for the purpose of getting their grievances remedied? There can be no distinction, and I don’t think even my friend, Mr. Aggarwal, will hold the view that in such a case such a *jatha* should not be allowed to go there for worship. Under the circumstances, there is nothing to frighten the administration or to create a prejudice against *jathas* as

such. Nobody disputes the proposition that it is an inherent right of the people of this country to worship in their own way. The religious liberty is guaranteed to us by the Proclamation of Queen Victoria

Raja Bahadur G. Krishnamachariar: What about the Temple Entry Bill?

Sardar Sant Singh: The Temple Entry Bill is not relevant to the matter under discussion, my complaint is that this law will act very harshly upon *jathas* which proceed to a place for religious worship only and other allied purposes, and not for a purpose which can be characterised as subverting the administration of a State.

Now, Sir, I shall generally examine the provisions of this Bill, though I would not go into the details of the various clauses. I will only refer to certain portions of the Bill as it is framed and as it has emerged out of the Select Committee. I will try to show that it is quite undesirable to pass this Bill into law. The most important clause, the principle of which I want to discuss in this connection, is clause 4. Now, this clause prohibits an unlawful assembly. It is very wide in its wording. Of course, if an unlawful assembly commits an overt act, if it threatens to subvert or tends to subvert the administration in a State, such an assembly should not be allowed to proceed with its activities. Even if we accept the principle of this Bill, the only thing which can be made punishable is the overt act committed by an unlawful assembly, but to go beyond it and put power in the hands of the executive as mentioned in clause 4, will be very dangerous indeed. It says:

"When a District Magistrate, or in a Presidency town the Chief Presidency Magistrate is of opinion that within the jurisdiction attempts are being made to promote assemblies of persons"

—not that the assembly has come into existence, but—

"attempts are being made to promote assemblies of persons for the purpose of proceeding",

then it becomes punishable, and notice may issue in writing to that person. Sir, this reminds me of a very nice story about myself

An Honourable Member: About yourself?

Sardar Sant Singh: Yes, about myself. When the martial law was declared in Lyallpur, one fine morning I got up and answered the knock at the door of my office. It was after the Easter holidays. I thought that some new clients had come to me after all these days and that I would make some money. When I came out of my house, I, to my surprise, discovered that the District Magistrate and the Superintendent of Police were standing there. I had hardly opened the door when I was told: "You are under arrest". Well, the Raja Bahadur's force came in. I could not say anything. Then followed the process of making arrests. In all 11 persons were arrested and marched to the jail under a very great but unnecessary show of military force. When we were ushered in the jail, we asked the District Magistrate and the Superintendent: "Will you please tell us for what offence we have been arrested, what have we done?" This set them thinking, and they met in conference for about ten minutes in the office of the jailor, and, coming out, told me that the jailor would tell me our offence. Later on, I asked the jailor as to what was the offence with which we were charged.—and he said: "You are

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charged for being members of an unlawful assembly''. We had attended no assembly for the last four or five days previous to our arrest. We were sleeping quietly in our homes when we were arrested. How could we be charged for being members of an assembly which never met. However, the jailor further said: "You are a member of an unlawful assembly and you are charged under section 143, Indian Penal Code." A word was sent to our lawyer to inform him of the nature of the offence for which we had been arrested. The offence with which we were charged was bailable in law, and we instructed our lawyers to apply for bail. The bail application was heard by the District Magistrate. It would interest the Honourable Members of this House to know what transpired in the course of the arguments for bail. After hearing the counsel, the District Magistrate remarked in his quiet way "Oh, this is a bailable offence no doubt, but if you insist on bail being granted as of right, the offence charged being bailable, I add a non-bailable offence to the charge", and he actually added a charge under section 302/109, I. P. C., abetment of murder.

An Honourable Member: Murder? (Laughter.)

Sardar Sant Singh: Yes, abetment of murder.

An Honourable Member: Is it a fact?

Sardar Sant Singh: Yes, certainly it is a fact, but it is really funny. It has been put on record, and the section was added.

Now, Sir, if a District Magistrate or a Presidency Magistrate can exercise his legal powers in that manner, can there be any safety at all for anybody? I might tell the House that this District Magistrate, later on, became His Excellency the Governor of the Punjab. In those days, the policy of the Government was to strike terror, and probably the District Magistrate

The Honourable Sir Brojendra Mitter: Why did they let you off?

Sardar Sant Singh: Because a lawyer from Bengal got us released. Mr. Hasan Imam came from Bengal to defend us.

The fact is that such repressive laws are in practice worked in accordance with the policy of the executive authorities. In the case of Indian States the vesting of such momentous powers even in a District Magistrate or Presidency Magistrate has a chance of becoming a danger to individuals and menace to society. Indian States command a lot of influence on account of their wealth—how can the poor Magistrate withstand the temptation of issuing an order on behalf of that State? This is not my opinion. I shall quote from an opinion received. A prince who, if he wants to get a man into trouble, can corrupt a Magistrate and thus abuse the process of law to the prejudice of his victim. At page 22 of the opinions, the District Magistrate of Nilgiris says:

"The provisions against 'interference with the administration of a State' are very wide. It is obvious that they could be abused. The expectation that they will not be apparently based on the presumption that they will be administered in good faith by Magistrates and Governments. Against this presumption must be put the possibility (to put it no higher) that future Governments and Magistrates may not be incorruptible, and that many of the States, who may desire the application of these

provisions, have sufficient wealth to make the bribing of individuals a matter of no account to them. I think it inexpedient to put those in authority in India in the position of being able to grant or refuse a favour to an Indian State, so far as it is possible to avoid this . . ."

An Honourable Member: It is a calumny against the future Federation.

Sardar Sant Singh:

" . . . I do not know upon what information the District Magistrate would normally base his opinion that action under section 5 or 6 is necessary. In practice it would probably be upon information given by the Government, and the effect of Government's action upon any except the most independent Magistrate would be equivalent to an order. I think it better that the terms of the Act should be more in accordance with the probable facts and, if Government is likely to exercise such authority, the responsibility should be openly placed upon it."

My submission is that the powers placed in the hands of a District Magistrate or a Presidency Magistrate under clause 4 of the Bill are so wide, so indefinite, that they are capable of being abused, and if they are capable of being abused, no Legislature will be justified in enacting such a legislation. That is why I suggest that action should be confined to overt acts of the assembly, and that, before any overt act is committed by any member of the assembly in pursuance of the common object of the assembly, no action should be taken. But as soon as an overt act is done, some power should be given to the Magistrate as is given under the Indian Penal Code and the Criminal Procedure Code,—power of dispersal and the use of force in dispersing the assembly, so as to avoid future mischief, and, if necessary, to prosecute them for the disobedience of the lawful order promulgated at that time.

Mr. Vidya Sagar Pandya: It may be too late.

Sardar Sant Singh: They are not to cross the boundary in one day.

I come to clause 5, which resembles section 149 of the Code of Criminal Procedure. We know that this section has lately been used very lightly in restricting the legitimate activities of political persons and political bodies. Why a wider power should be given under another set of circumstances passes my comprehension. I submit that such a power requires to be restricted considerably.

Then, Sir, there are certain words used in the body of the Bill which are very wide in their application. The penal provisions should be strictly worded, so that there can be no scope for any Magistrate to exercise his power in a manner which militates against the established provisions of the law.

Lastly, I submit that so long as no guarantees are obtained from the princes in order to prevent them from interfering with the administration of laws in British India, no such protection should be extended to the princes. What I mean is this. It is a well known fact that many newspapers are being subsidised by Indian princes, many newspapers

An Honourable Member: Partly owned.

Sardar Sant Singh: are partly owned by Indian princes, and what is the guarantee that those newspapers may not print or publish such statements as will provoke the other party to retaliation or reprisal? Why

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should only the person who retaliates be punished when there is already a person in the **British Indian Province that provokes the retaliation?** Can Government deny that many newspapers are subsidised by Indian princes

An Honourable Member: The *Pioneer*.

Sardar Sant Singh: The *Pioneer* is a respectable paper,

An Honourable Member: It is subsidised.

Sardar Sant Singh: and it has a show of respectability.

Another Honourable Member: Largely owned.

Sardar Sant Singh: But there are newspapers whose sole business is to carry on propaganda on behalf of certain princes. They are published and sent free, they are broadcasted without any subscription, and thus they provoke the other party into a retaliation. If this Bill is enacted into law, the result would be disastrous to the person who retaliates merely in self-defence, while it will give a free hand to the paper that is being subsidised by the princes. I want to draw the attention of the Foreign and Political Department to the difficulties that the subjects of Indian States have to meet even with British authorities. I refer to a peculiar case. 200 people have been living here in Delhi, they have taken residence in Delhi in the Gurdwara and they have been trying to approach the Political Department for getting their grievances heard only. The Political Department finds itself helpless to help those people. Sometimes they are asked to go and see the Agent to the Governor General. Sometimes the Foreign and Political Department pleads excuses which fail to satisfy them. The result is that men, women and children are living in the Gurdwara waiting for some decision. They were arrested by the police. They were taken to the jail and they were let off later on, because they could not be detained as they had committed no offence. They said that they were not going to do anything unconstitutional and that they only wanted an interview with the Foreign and Political Department, and that a grant of reasonable hearing would satisfy them. But no satisfaction has so far been given by the Foreign and Political Department. I think the Honourable the Political Secretary will bear me out that they have been coming to him several times. We cannot interfere with the management of the States, we cannot put any question here; but we can protect the States all right by legislation. Here is a case in point. The Foreign and Political Department finds itself unable to give them a hearing to find out the truth of their grievances. Under the circumstances, my submission is that unless there is a corresponding obligation placed upon the States to come to terms in the first place with their subjects and then enter into treaty relations with British India, they are not entitled to any protection from this Legislature.

Raja Bahadur G. Krishnamachariar: When we were discussing the Indian Princes (Protection) Bill on the last occasion, when it was referred to a Select Committee, I thought, and I am speaking subject to correction, that the principle of the *jathas* had been admitted by this House.

The only question was whether the clause relating to press, and the last clause which was clause 6,—and now, I suppose, it is clause 5,—I suppose it is the same clause which deals with the action of the District Magistrate upon information where, in his opinion, a certain course should be adopted. That was too drastic a provision and I at least understood that these two questions would be discussed, and as they were going to be discussed in detail in the Committee, I thought there would be some chance of its being modified for the reason that I shall presently submit.¹

Before I come to the few observations that I would respectfully submit for the consideration of this House at this stage of the Bill, I should preface my remarks with one or two observations regarding the point with which my friend, Sardar Sant Singh, started. He says: "Do not give any protection, but if you do give any protection, protect the Government established by law. It ought to be the Government established by law." When I interrupted him and gave him the constitutional position, I do not suppose he was satisfied. He thought that I had given away my case.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

In view of that, I am bound to lay before this House the constitutional position in an Indian State. The constitutional position in an Indian State, so far as I have understood it, is this. Whether it is acceptable to the lawyer Members of this House or even to the lay Members of this House, that is a position which cannot be challenged, and that is, the sovereign in an Indian State has got legislative, executive and judicial powers all centred in himself. That is the constitutional position. If he cares to, he can exercise all these powers himself.

Mr. N. M. Joshi (Nominated Non-Official): Where did you get that from?

Raja Bahadur G. Krishnamachariar: Instead of interjecting these remarks, if my friend will only sit down and read the Constitution of British India and read the constitutional law relating to India, he will not trouble himself to interrupt me, but at the same time he might be greatly illumined by the position. All that my friend knows is to say that labour is suffering, but the point is as my friend, Mr. Clayton, said, where are you going to get the money? His idea is tax the land and distribute the money among all these people. That is all that he is concerned with. As Mr. Ghuznavi said the other day, it is he who is fomenting all the trouble in India, and, therefore, he is quite in sympathy with the other side of people who foment trouble in British India and direct their attacks against the Indian States. He may be dismissed without much consideration until he confesses that he has read this constitutional law and he is in a position to contradict me. Until that time comes, which I know will never come, the constitutional position is that the sovereign in an Indian State has, among other things, legislative powers, and if he issues a *firman*, if he issues an ukase, if he issues an order that such and such shall be the law, that is the law. There is no getting away from it, and that is the law that has got to be obeyed. The Courts of

[**Raja Bahadur G. Krishnamachariar.**]

that country have got to administer it, and I shall proceed one step further. In the exercise of that judicial function, if that sovereign appoints a committee, and if that committee comes to a certain decision upon a judicial question, upon a question which in British India would come before a Court, if the sovereign confirms the authority and the decision of that committee, that decision becomes a decree. It becomes a decree in the sense that you can found a case in British India just as you file a suit therein upon a decree passed in a foreign State. That, Sir, is the position.

Sardar Sant Singh: May I point out to the Honourable Member, if mistake not, the same is the position of our King-Emperor in theory.

Raja Bahadur G. Krishnamachariar: I am not concerned with theory. I know, a good many things which exist in theory and most of the things so far as the British sovereign is concerned, since he became a constitutional monarch, have been lost out of desuetude. Either he does not use it himself or somehow or other they do not get exercised. Therefore, the case of the British sovereign is in no sense analogous to the sovereign in an Indian State, and, consequently, if my friend asks for a Government established by law in an Indian State, it is the Government that actually exists there, and what more do you want? That is the Government established by law, just as, for instance, in British India, when the Crown took over the Government of British India, they passed an Act in Parliament, an Act for the better Government of the territories vested in His Majesty. That sort of law you do not require, and that is the reason why I said that my friend would be hoist in his own petard. He would not improve his position by asking for this condition. None of the things that he asked for are within the region of practical politics and unfortunately he discussed the whole thing with an absolute disregard of the existing condition in an Indian State. He asked me whether it is the will of the ruler. I said, I am sorry it is. I do not want to lecture on law and what it means. Law emanates from the ruler. In British India and in England, it emanates from the legislature, but in an Indian State it emanates from the sovereign and there it ends.

Mr. B. Das (Orissa Division: Non-Muhammadan): It is lawless law.

Raja Bahadur G. Krishnamachariar: Lawless law is a poetic expression used by the late Poet Laureate, with which we are accustomed more in British India than in an Indian State. Day by day we have been saying that the laws passed in this House, when they come to be administered and when they come to be criticised in a public platform, we always call them lawless law and the irony of it is that my friend, the Sardar Sahi took half an hour to criticise the Indian State and ask for that very lawless law there.

Leaving the constitutional position there, I shall only refer to one other matter as a preliminary before I address myself to the observation I want to submit to this House. Before doing that, I should like to congratulate my Honourable friend, Mr. Glancy, on the excellent speech delivered. Unfortunately I had no chance to speak after he spoke, because

he said he was not quite anxious to speak until he had heard other speakers, and under the rules I had no chance to speak after he spoke. I am very glad he made that speech, and I think it will be regarded as a charter in the hands of the Indian princes as to what the Government of India think or ought to think at least about themselves. This is what my friend, Mr. Glancy, said,—and he is perfectly right and I vouch for every word he said. My friend, Mr. Das, says that “I have got to read through the lines”. Sir, I am not one of those persons who, trying to read between the lines, forget the lines themselves. I am a plain man who is quite content to read the words as they stand, to understand them and to try to apply them, and if somebody says I do not understand it, I will only fling it at his own face and say “there is your language and that is what it says”. Sir, after saying a good many things about the Indian States, all of which is absolutely true, his speech begins upon this point (page 529, Assembly Debates, No. 8, Volume I). This is the most eloquent manner in which he referred to the position and I am going to put a little question. Says Mr. Glancy:

“It would be idle to deny that from time to time many Indian States have fallen sadly short of the ideal and have rendered intervention necessary, but as several Honourable Members have pointed out, I should like to take this opportunity of saying that in a well-conducted Indian State where the ruler takes a close personal interest in the welfare of his subjects—and there are many such States, both great and small—” mark the words ‘both great and small’—“the people, so far as I have been able to observe are everywhere as happy as they are in British India or as far as my limited experience goes, anywhere in the world.”

The Honourable Member was not going to say that they are more happy than in British India, which I claim to be the case of States where the ruler takes a personal interest in his subjects.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhamadan Rural): In which State do you mean they are happier?

Raja Bahadur G. Krishnamachariar: I am very sorry my mouth is closed. I wish to say “several States” and that is the reason why I stated “in those States where the ruler takes a close personal interest in his administration and in his subjects”.

Mr. B. Das: Can't we go there? (Laughter.)

Raja Bahadur G. Krishnamachariar: I know, within a week of your arrival, there would be such a great commotion that I should have to run to the Honourable the Home Member, whether this law is passed or not, to intervene (because I will say I am very much troubled over these gentlemen) and get them across the frontier. (Laughter.) That is the only way to get rid of these gentlemen; I do not want to put them in jail,—as my friend, Sardar Sant Singh, was first put into jail and after three days he was told he belonged to an unlawful assembly. The easiest thing is to try and get a special train, put these gentlemen into it across the frontier and tell them: “Settle your accounts with your own Government”.

Mr. S. C. Mitra: If they are so happy as stated by the Honourable Member, why do they then apprehend that only one or two men going there would possibly disturb the whole state?

Raja Bahadur G. Krishnamachariar: Sir, bad things are more easily done than good things. You can always incite men and make them imagine they have got grievances, and they immediately begin to think they have got grievances, whereas, when a man goes on peacefully in his life, he does not think of anything else, and he is quite content. (Hear, hear.) He has got his money, he has got his occupation, and there is no trouble about it, and consequently it is just as well that my friend, Mr. B. Das, and his friends should keep themselves away without troubling us in the Indian States.

An Honourable Member: What about Mr. Joshi?

Raja Bahadur G. Krishnamachariar: Well, as to Mr. Joshi

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Order, order. Instead of replying to all these side remarks, the Honourable Member may proceed with his speech.

Raja Bahadur G. Krishnamachariar: When interruptions are made, and when I have no objection to yielding, I think, Sir, I am quite entitled to reply to them.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Chair has not the slightest objection to the Honourable Member replying to all these interruptions if he is prepared to give way.

Raja Bahadur G. Krishnamachariar: The reason why I am willing to allow these interruptions is that my mouth will be closed shortly and these gentlemen may say things to which I cannot afterwards reply. Now, I can completely nail them to the counter and they won't have much time to waste afterwards and that will also save the time of the House. I do not object to anybody interrupting me, that has always been my policy.

An Honourable Member: You can stand against the whole House.

Raja Bahadur G. Krishnamachariar: This is the passage I wanted to quote:]

"A good Indian ruler excites in the minds of his subjects a degree of affection and devotion which it is difficult sometimes for a Westerner to realise and it seems to me that in these times when many changes are passing over the face of India and many readjustments have to be made, it is worth while thinking very seriously before one proceeds to weaken or uproot any such nucleus which the seeds of loyalty and patriotism will naturally collect. . . ."

An Honourable Member: Are you reading Mr. Glancy's speech?

Mr. A. H. Ghuznavi (Dacca *cum* Mymensingh: Muhammadan Rural): Are you reading from "Arabian Nights"? (Laughter.)

Raja Bahadur G. Krishnamachariar: I do not quite follow the occasion for this hilarity—whether it is at my expense or at the expense of my Honourable friend, Mr. Glancy. Years and years ago, I did read the

"Arabian Nights", but I forgot that book. I am glad to see that Mr. Glancy is said not only to have brought to the notice of this House instances in the language of the "Arabian Nights" of which Haroon-al-Rashid, was supposed to be the chief actor, but that sort of thing does happen next door to you and me today and tomorrow if only our friends will not be jealous of these poor unfortunate people, simply because they have got more money than you or I have. As I said, outside the House, I am quite prepared to give anybody any number of names, but the position is this. Remember, I do not claim these gentlemen to be perfect as angels—even angels are not perfect. As the Lord says in the Bhagavat Gita, "I, who am an *avatar* of God, even I am invested with a good many faults, and what can I do?" Sir, that is the state of the world, so that when even God Almighty comes as an *avatar* as in Bhagavat Gita, he says:

An Honourable Member: What *sloka*?

Raja Bahadur G. Krishnamachariar:

"Ara jananti mam mudhas manushim Janum Ashritam."

"Simply because I have put on the grab of a human being, fools laugh at me"—and that is the fate of Almighty God even when he appears through an *avatar*,—when he becomes a "man". Of course I may not know so much of the Shastras as my friend, Mr. Jadhav. So, how can I claim infallibility for these gentlemen? What I do say is that here is an independent and disinterested English gentleman who need not give this certificate if he was only confining himself to the point at issue, and yet, having had experience of these people from a detached point of view, and, if I may say so respectfully to my Honourable friend, Mr. Glancy, with a somewhat critical eye sitting there across, then, even on the principle of giving the devil his due, it is up to this House not to laugh at these people, but to appreciate their good qualities. Sir, if in a State governed by people of this sort, gentlemen with the Sikh technique of the *jatha* collect in British India in order to create trouble, I think the British Indian Government would not tolerate them. Therefore, it is up to the British Government to protect these Indian States from invasion by these persons. I said on the last occasion and I think it will bear repetition that when a trouble similar to this happened in British India at the time when the late Mr. Jackson was murdered in Nasik and when a large number of Maharashtra youth took protection in a place called Aurangabad in His Highness' dominions, after a little bit of discussion the Penal Code there was amended in order to include sedition against the Government of India as an offence being committed within the Nizam's dominions.

Mr. Jagan Nath Aggarwal: Was it by a *firman*?

Raja Bahadur G. Krishnamachariar: We do not always use the *firman*. When a gentleman like my friend Mr. Aggarwal comes there and tries to disturb the peace of the country, we use the *firman*, because it has got to be met with swift action. Ordinarily, it is the Act of the Legislative Council that does it. And if my friend will excuse me, it was I who

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passed that law. After having stated that, there is only one statement in my Honourable friend's speech to which I should like to refer. That statement refers to what happens when a so-called Administrative Act or a series of Administrative Acts do not appeal to the British Government. This is what he says:

"I do not propose to ask you what the practice ought to be but I shall merely content myself by saying in a few words what the accepted position actually is. The position is that where a serious misgovernment prevails in an Indian State, the Government of India do regard themselves as under an obligation to interfere."

Why do they regard themselves under this obligation? This is a practice which is not sanctioned either by any treaty or by any agreement or by any usage except by an Act which I should be sorry to characterise in its proper language which it deserves. It is because of this extraordinary claim of paramountcy which the Government of India have been slowly developing and which they say does not depend upon treaties. Certainly it does not depend upon conquest, because these gentlemen were never conquered in a pitched battle where they fought and were beaten. The late Lord Chief Justice of England, who was the Viceroy of India, claimed that paramountcy is paramount, and it does not depend upon treaties or any such thing. We are paramount, and, therefore, we have got paramountcy rights. Sir, that will not do. The Government of India have absolutely no rights in the manner in which they claim them for themselves. They have absolutely no duty in regard to this.

Sir Cowasji Jehangir: The Bill will be withdrawn.

Raja Bahadur G. Krishnamachariar: I was only talking of the constitutional position. But, I was quite sure that an objection like that will be raised. But I desire most emphatically to protest against it. Sir, I am not speaking on behalf of any Indian State, but I am speaking as a man who has tried his best to understand the position between the Government of India and the Indian States. From that point of view, I say that this practice is absolutely incorrect, illegal and improper. I will not say anything further.

Mr. B. R. Puri (West Punjab: Non-Muhammadan): Do you maintain that even in the event of an extensive bad rule in a State, the Government of India are debarred from interfering?

Raja Bahadur G. Krishnamachariar: Constitutionally I do maintain that they are debarred from interfering, but they might interfere as a matter of policy, for example, to send troops to a State where there was more trouble than the State forces could contend with. In fact, the Indian princes might themselves ask for this help. But they cannot do it otherwise. I can assure my friend, Sir Cowasji Jehangir, that we are not discussing anything irrelevant, and I think it is my duty to register my protest on behalf of those persons who have devoted themselves to the study of the constitutional law and to the extent to which they are being pushed now. No wonder there is some trouble about the Federation. Sir, so far as the clauses are concerned, I venture to submit my most emphatic protest to the opinion expressed by the Collector of Nilgiri. I do not know who that gentleman is, but I do not desire to characterise him

by a proper name. He poses to excel himself in the qualities of honesty and straightforward talk, and he says that in the future Government there will be corrupt Magistrates open to bribery, and, therefore, they will not administer this law honestly, and, consequently, such a law need not be enacted. Sir, this gentleman was probably sitting in his easy chair when he wrote that statement, and probably he considered himself protected by the defamatory statement, because I know it is no defamation to call the whole nation as rascals or by some such expression. It was under that impression that he had the temerity to state that in the future Government, which is going to be an Indian Government, there will be more corruption, and, consequently, the Magistrates will be open to bribery. If I were to deal with this statement, it will take more time and it will lead to acrimonious discussion. If any of my friends want it, I shall give the whole printed record of 500 pages of the case in the District Court of Tanjore where some of the most important officials have not come out quite unscathed. But I will not pursue this matter. I only want to enter a strong protest that this sort of statement should have been made. With regard to clause 4 relating to the *jathas*, I have already said that I am not going to attack it because such a thing should not be allowed. With regard to clause 5, the objection that I raised in the beginning still stands. It begins "Where, in the opinion of a District Magistrate" Now, what is meant by "where"? It will not be within his jurisdiction, because he knows exactly what is going on in his jurisdiction. It will mean really the report of a head constable. But that may go. He is supposed to form an opinion that a certain person, within his own jurisdiction, or outside in the Indian States, is likely to cause some trouble, not in his jurisdiction, but in the jurisdiction of an Indian State, and the thing that it might produce among other things is an affray. So far as I know, if two drunkards fight in the street, that is an affray under the definition in the Indian Penal Code. If that person goes to an Indian State, it is supposed that he is going to start an affray in that State and so the Magistrate says he is going to lock him up. Those of us who have been practising law know exactly that this is a reproduction of sections 109 and 110 of the Criminal Procedure Code for security to keep the peace and to be of good behaviour. First, serve him a notice giving the facts and then give him the chance of saying yes or no. But whatever he might say, does not count. The man is bound over and the High Court does not interfere. We do not know what has happened, so says the High Court. The man on the spot is the proper judge, and, therefore, the High Court says, we cannot really interfere except in very flagrant cases of injustice. Is it proper, and I repeat the question that I put on that occasion, is it right even in the interests of that very Magistrate to compel him to take steps upon materials which he cannot investigate and which he has absolutely no means of testing and coming to the correct conclusion beyond what is stated in that information report which has been communicated to him and beyond that he has not got any material at all? Is it fair even to that Magistrate to ask him to act in this manner? When he has done all this, there is no appeal. I know that my Honourable friend, the Home Member, said when I raised this very question at an earlier stage of the proceedings that there was a right of appeal somewhere. But I believe the Government have created a new offence in this Act and as the Act does not refer to the Criminal Procedure Code and as an offence has not been defined as it has been defined in the Indian Penal Code—any act made punishable either by this law or by any other

[Raja Bahadur G. Krishnamachariar.]

law, local or whatever it is, for the time being in force—and that definition does not occur here, I take it that this Bill is self-contained and there is no right of appeal. *Na appeal, na dalil, na vakil*, these three formulas apply to them, and I think it is quite unfair.

As for the provisions regarding the press, I hope my Honourable friend, Mr. Ranga Iyer, who knows all about the press and anything that he does not know is not worth knowing, I hope he will either support or attack these things, and I do not intend to take the time of the House over that point. Having said this, I think on the whole this is a good measure, and it ought to be passed into law subject to the objection regarding clause 5.

Rai Bahadur Kunwar Raghubir Singh (Agra Division: Non-Muham-
madan Rural): I think this Bill has not come a day too soon.

4 P.M.

It ought to have come earlier, so that the troubles in the States should not have taken the turn they have. I have seen the opinions which have been collected from the country. I admit that most of the opinions are against the measure, but, Sir, there are opinions which show that the provisions against the press are disliked by the people more than the other portions of the Bill. It has been given out here that this Bill is to:

“protect the administrations of the States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to obstruct such administrations.”

We know that the position of the princes is that of the children of His Majesty. In one of the titles of the princes we find:

“*Farzandi Dūlpizir Daulat-i-Inglishia*”,

that is a title, and so they are treated as the children of the King. When they are considered as such, it stands to reason if the Government ask for protection to them, and there is nobody who requires more protection than the children. The princes being in that category, they do stand in need of protection.

Mr. B. Das: Are they demented children?

Rai Bahadur Kunwar Raghubir Singh: They are not such spoilt children like you, who want new provinces.

Mr. B. Das: But the whole press is against them.

Rai Bahadur Kunwar Raghubir Singh: No, only a few nationalist papers. I do not agree with the speech made by you the other day. Well, Sir, it has been said that the princes do not require protection, but that it is their subjects who require protection and not the princes. No doubt the position of the subjects in Indian States is, according to British Indian ideas, much inferior to our position. That is where the British Indian people stand on a better footing than the subjects of Indian States, because they are subject to one power which is also subject to another Paramount Power, and it is, I think, a legitimate wish that the people also should be protected. But if the ruling princes are not taught how to govern, I do not see how the administration of States can be improved. We have been seeing in several cases that Indian princes are sent abroad for education.

It has also been argued that it is useless to send out people to other countries for education when we have got the best educational institutions in this country. We have also seen that the princes who return from England are more anglicised than they are required to be fit enough to govern for which purpose education is meant for them. The other day, one of my colleagues was complaining against the educational policy of the Government, but the reply from the Government side was that it was a transferred subject and that we were ourselves responsible for the education we received. But here, Sir, the States are directly under the control of the Paramount Power.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadian Rural) The princes' colleges are also under the Paramount Power.

Rai Bahadur Kunwar Raghubir Singh: Yes. They are not given that education which should make them fit to govern. I can give several examples. There was the Maharaja of Bharatpur and he was under the protection of the British power and so he was given good education under able tutors and he was kept under minority administration. He was given every kind of education which was considered to be the best, and yet he proved to be a failure. But, Sir, it has been a complaint that the education which was required for the princes was not given to them. If they were given proper education, their administration should also have improved.

Mr. Muhammad Anwar-ul-Azim: Send them to Oxford and Cambridge.

Rai Bahadur Kunwar Raghubir Singh: Not only Oxford and Cambridge, but our *muktabs* and *pathshalas* are better for our purpose than education in Europe.

An Honourable Member: Not for a ruling prince.

Rai Bahadur Kunwar Raghubir Singh: Yes, even for a ruling prince. Those who governed India formerly had not seen any colleges or universities.

Sir, unlawful activities in British India are sought to be checked by the Bill before us. When this Bill was introduced, there were only one or two States in which there was some sort of rebellion, but now the number stands at about four or five, and I do not know what will be the position if this Bill is thrown out. But, constituted as we are, I know it will not be thrown out. But I appeal to the Members of the House to make the provisions against the press less stringent than they are. If this stringency is lightened, I am sure there will be less opposition from the country to the Bill than at present.

Bhai Parma Nand (Ambala Division: Non-Muhammadian): Sir, I accept the definition that has been given to us by my Honourable friend, Kunwar Raghubir Singh, in regard to the relationship that exists between the Paramount Power and the Indian princes. In one respect, I have my sympathy with the object of this Bill. I understand the object of this Bill to be the prevention of the formation of *jathas* in British India; so as to prevent British Indians from going and creating obstruction to the administration of the Indian States. Taking that point of view, I have to say that it is not very long ago that

[Bhai Parma Nand.]

a number of Members of this Assembly saw the necessity of waiting upon His Excellency the Viceroy so as to submit to him that the formation of such *jathas* should be stopped in British India. So far as I remember, His Excellency's reply was that he was very anxious to stop the movement, but he had no powers as the law did not provide him with enough authority to carry out his wishes. Therefore, I take it that this Bill before us aims at providing the Government of India with sufficient powers to prevent the formation of these *jathas*. In that case, I myself and the Members who waited upon His Excellency have no grounds to oppose this Bill.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

But there is another difficulty with which I am faced. As I said, I understand the nature of the relationship, as defined by my Honourable friend, between the Paramount Power and the princes, but my difficulty is, what is the nature of the relationship of ourselves as representing the people of British India with these Indian States? The British Government being the Paramount Power, and in the words of the Honourable the Home Member, the suzerain power, have the right and duty to protect these Indian States. But what is unintelligible to me is, how are we to come in between these two great powers, the Indian States and the Paramount Power, to pass laws for the protection of the princes? As I said, the British Government can very well do it and they have all the authority and power to protect them. But what is the necessity of bringing in such a Bill before this House and have our sanction to it? My difficulty becomes apparent when we look at certain cases that attract our attention.

My Honourable friend, Sardar Sant Singh, quoted an instance of a group of about 200 persons who are waiting here for months putting up in *dharamshalas*. Quite away from their homes and families, they have to depend upon the charity of others for their meals. They approached him and they approached me also twice or thrice, but our question was, how could we, as Members of this Assembly, help in the removal of their grievances in any way? The only power that we possess in regard to the grievances of the people, is to put certain questions and that too by your kind permission and have Government's answers. But in the case of these 200 refugees from the State, we have not got that power and we cannot even put questions. I do not know if we can privately approach the Political Secretary and explain their case. Their trouble is that they have not even been heard. They have got their grievances and as the Paramount Power has got the duty of protecting the princes, it follows that it has also the duty of protecting the subjects and of redressing their grievances in the best possible way.

This is only one instance. We have several times received representations and pamphlets published in States by the subjects, who are put to grievous troubles for the maladministration of their States. We know they hope to have some satisfactory reply from us, but we also know that we are quite helpless in the matter and can do nothing. Let me take another instance which I want to mention with your permission. That is the case, not of the subjects, but of a ruler of a State whose administration went wrong somehow and who probably was asked to explain his

conduct or to submit to some sort of inquiry. He ran away out of British India and there he is seemingly determined to fast and to die. Now, Sir, his companions and friends are sending telegrams to me and perhaps to other Members to save him, and I cannot understand how we can help him. He can be relieved of his troubles by the Government alone.

There is another point that I want to bring before the House, and that is this. We are asked to pass laws, which are even more hard than the Ordinances, for the protection of these princes. But what is our position with regard to these princes? I want to explain it. I am a British subject: I can go to England, and there I am taken as a British subject: I have the right of voting and get myself represented in any Council or other organization of the British Empire. I can stand as a candidate for the British Parliament and even try my chance for becoming a Member. There are colonies, where, if I am allowed to go, I have the rights of citizenship of those colonies. There was a time when we had these rights in the United States of America and quite a number of Indians became citizens there. When a law was enacted to deprive us from this privilege, our press made a great row over it, although I think they had no right to do so. But the case with our own States is entirely different. The people of these States are the same as our own people: so far as history is concerned, their history is part of our history; geographically we are one; but when we come to the constitutional field, we do not understand what our relations are with those States. They seem to be much worse than the relations with a foreign or even a hostile country. For instance, I take the case of a State close to the Punjab: a man lives there for twenty years or so; his children are born in that State; neither he nor his children have got the right to vote in any representative institution of that State. He has not the right to become a State subject. I want to put this question to my Honourable friend, the Foreign Secretary. He has been in a position to draft Constitution for such a State: what is the provision he has made for British Indians in that State to have the right of representation or of voting in the ordinary representative institutions of that State? This is the main grievance of hundreds and thousands of the Punjab people who have settled in that State and have made it their home, but are deprived of every right. I do not understand any earthly reason why the people, who have lived there and have got property or who have been in service there for the whole of their life and have settled there with their families, should not be given any right; as if the State is a thing which is a specially heavenly place in India. If that State is a place beyond human rights, then why should we be asked to legislate for the protection of the administration of that State?

This is not all. I want to give another instance with reference to another State. In that State, the Hindu form a large majority, they got the permission of the ruler of that State to hold a Conference to express their grievances. After getting the permission, they approached me, and with much entreaties—as I did not want to go there—I consented to preside over that Conference. As soon as the fact was known—at that time I was a Member of this Honourable House, that was my credential for the duty I had to perform—an order was issued that no outsider could come into the State to take part in that Conference. According to that order, some four or five persons who had been sent to work for that Conference were arrested and driven out and one of them

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had to undergo an imprisonment of one year. If this is the attitude of these Indian States towards us, law-abiding people, who do no harm to the administration of these States in any way, if we cannot enter that State for a lawful purpose, for which the State itself had given permission, I do not understand what interest we have in that State and what right the Government have to ask us to pass such a law for these States. What are we so far as these States are concerned? I repeat, the British Government could issue a permanent Ordinance to protect these States in the best way they wanted; but I do not understand why we who are not even allowed to enter the state, who have not even the right to be voters in those States, who are we to pass so unreasonably stringent laws for the protection of these States? This is a matter of great constitutional difficulty about this Bill.

One point more. When some of these suffering subjects in these States came to me or my Sabha and complained that they had very serious grievances against their administration, I had an occasion to talk of what I complained, in a public meeting held at Nagpur. I cannot say what kind of distorted and false report was made to the District Magistrate of Nagpur, but that Magistrate, in giving his opinion on this Bill,—and these are called public opinions!—mentioned my name in particular and stated that in my lecture I had said something about this State and that State, and, if it were in his power, he would stop my coming to Nagpur and taking part in the meeting. (Laughter.) Why so, Sir? Simply because some C. I. D. fellow made some false report to him and, on the basis of that report, he has had the courage and wisdom to express his opinion in that fashion. And if that is the object of this Bill, I do not understand what right we have or why we should at all have any inclination to sanction this Bill in this House? In conclusion, I have to say that I am not in disagreement with the main object—and have no reason to oppose it as it is done on our own prayer—but I do not understand the constitutional position of the Members of this Honourable House to pass this law for the protection of these States.

Sir Abdur Rahim: Sir, reference has already been made to the constitutional position so far as this Bill is concerned. My friend, the Raja Bahadur, raised it pointedly and he naturally took strong exception to the new idea of Paramountcy; but he forgot that the Bill which he is supporting is based on this very idea. If he reads the report of the Select Committee, he will find this:

“We the undersigned members of the Select Committee to which the Bill to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which etc., etc.”

Raja Bahadur G. Krishnamachariar: That was my point—an omnibus protest.]

Sir Abdur Rahim: That is the point of my Honourable friend, the Raja Bahadur, and undoubtedly the Raja Bahadur is also aware that the Indian States and British India have been existing side by side for many and many a year and, as he has undoubtedly studied the Penal Code carefully, he must have noticed that, as a matter of fact, a provision has been existing in the Penal Code for the protection of these States; only they were not then considered subject States; they were considered

Asiatic Powers in alliance with the British Crown. If he will look at section 125, he will find:

"Whoever wages war against the Government of any Asiatic Power in alliance or at peace with the Queen or attempts to wage such war, etc., etc., shall be punished. . ."

Then, in section 126, he will find:

"Whoever commits depredation or makes preparations to commit depredations on the territories of any power in alliance or at peace with the Queen shall be punished, etc., etc."

As a matter of fact, this was the law and this has been the law all along and it was not very long ago that the idea of Paramountcy or Suzerainty in substitution for the provisions of these sections which provide for protection of Asiatic Powers in alliance with the British Crown has come into existence. There are many Members in this House who are naturally anxious to preserve the status of the Indian princes, and I would ask them, if their anxiety is real, then to consider whether they are doing them good service or otherwise, by invoking these powers, by vesting these powers in the Government of India to enact laws of this character. That is to say, the status of the States has been in recent times very materially reduced, and I believe, if I am not mistaken, their status has been reduced since 1919 or even a little later. Now, Sir, if these sections were applied, and I believe they were applied at one time, then there would have been no necessity for provisions of this character, and we have been proceeding all along on that assumption. For the first time, I believe it was in 1921, that attempt was made to enact laws for the protection, as it is called, of Indian States, and, after that, the words "Paramountcy or Suzerainty" came into vogue. We all know how that legislation went through this House; it had to be certified by the Governor General before it became law, because it was summarily rejected by this House. That is the constitutional position, and I am not surprised that the Indian States have made no formal application or demand to the Government of India for a law of this character, because it means necessarily a derogation from their status. That is the reason I believe,—I am not in the secrets of the States or Government of India,—but I believe that is the reason why they have not approached the Government of India in this matter. But, upon these facts, *prima facie* the conclusion is that they object to any laws being enacted by the Government of India which would imply that they are in charge of those States and they must be looked to for protection

The Honourable Sir Harry Haig: May I remind the Honourable Member that in the Press Act of 1910 there was a similar provision applying to princes and States under the suzerainty of His Majesty?

Sir Abdur Rahim: Probably I overlooked that; even then, I think, my friend, the Home Member, will agree,—and really I got the information from him,—that this change of phrase, implying a very important change in status, was brought about within recent times.

Raja Bahadur G. Krishnamachariar: The Press Act of 1910 is like the adoption Sanad of Lord Canning. Nobody asked for it,

Sir Abdur Rahim: Now, as a matter of fact, I don't think that sufficient evidence has been adduced before the House to show that there is really any necessity for a law of this character. During the discussion that took place on the motion for reference to Select Committee, there was

The Honourable Sir Brojendra Mitter (Law Member): May I interrupt my Honourable friend for a minute? In the General Clauses Act of 1897, India is defined as British India together with any territories of any Native Prince or Chief under the suzerainty of Her Majesty. I have not made any research into this matter to see how far back this goes. But this phrase occurs in 1897.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadian Rural): Sir, we have it on the authority of the Maharaja of Bikaner that that was the earliest time when this particular phrase was used.

The Honourable Sir Brojendra Mitter: Which was the earliest time?

Mr. K. C. Neogy: It was in 1895 that this phraseology was brought into use for the first time.

Sir Abdur Rahim: I believe there is a reported case in which resort was had to section 125 of the Indian Penal Code in order to deal with certain matters arising in connection with an Indian State. Therefore, the exact date does not really matter much. The point is, the Penal Code really made provision for cases of this character, and I don't think any necessity has arisen for going further than the Penal Code in this matter. For instance, if you treat any of these States as Asiatic Powers in alliance with the British Crown, then, in that case, all serious cases could be met by the provisions of the Penal Code. In the Select Committee all the provisions were very carefully considered, and we had opportunity to discuss the provisions in detail. It was more or less conceded by many Members of this House, that the formation of *jathas*, for instance, ought not to be allowed. That is really going a little further than the present law; but substantially it is of the same nature as the provisions of section 125 and section 126 of the Penal Code, for these also provide against preparations.

Now, I wish particularly to draw the attention of the House to clauses 3 and 5 of the Bill as have been re-numbered in the Select Committee. Clause 3 deals with publication of certain matters in the press, and that clause refers to the Criminal Law (Amendment) Act of 1932 and the Press Emergency Powers Act of 1931. The result of this enactment read with the appropriate sections of those Acts is,—I want to explain that, because it may not be possible easily for every Honourable Member to grasp the effect which this Bill will produce if it is enacted into law,—the result would be that it would be open to executive authorities, when statements calculated to excite disaffection or to bring into hatred or contempt the administration established in any State in India are made,—to invoke and put into operation all the summary powers given by the Criminal Law Amendment Act. That is to say, an offence of that nature, if it relates to an Indian State or rather the administration of an Indian State, will not be triable by the ordinary Court in accordance with the ordinary judicial process, but it will be dealt with by executive action.

The Honourable Sir Harry Haig: I am sorry to interrupt my Honourable friend. He said that the effect was to apply all the provisions of the Criminal Law Amendment Act. I think that there is some misunderstanding there. The effect is to apply the provisions of the Indian Press (Emergency Powers) Act, and when he says that no judicial process can be allowed, the ordinary judicial process, under the old Princes (Protection) Act, remains as before. This Bill provides certain executive procedure which is alternative to the ordinary judicial procedure.

Sir Abdur Rahim: I was dealing with the effect of clause 3 of the Bill. The effect of that is to substitute executive action for judicial procedure. I did not say anything more, and that is absolutely correct.

The Honourable Sir Harry Haig: As an alternative.

The Honourable Sir Brojendra Mitter: Not to substitute, but to supplement.

Sir Abdur Rahim: That is to say, Government, taking action under this clause, is not bound to resort to the Court and can go to the executive authority and have the press security forfeited and have the proprietors of a press punished otherwise.

Raja Bahadur G. Krishnamachariar: And the High Court has no power.

Sir Abdur Rahim: That is what I meant by substituting executive action for judicial process, and I say I was strictly correct. Supposing an offence was committed against the Government, an offence of sedition, then, in that case, under the ordinary law, apart from the Criminal Law Amendment Act, the offence would be triable by an ordinary Court according to judicial procedure.

Now, Sir, are we justified, having given all these powers, these very drastic powers to the Government to meet certain emergencies of a very serious character according to the Government's own case—are we justified in extending those powers to cases where no such emergency is alleged or proved? That is the whole point. I claim that the right of association and the right to express opinions on public matters which are the fundamental rights of any citizen living under a civilised Government cannot be encroached upon or affected in any way except by the due process of Courts. That is the position we take up, and whether we live under a democratic Government, or a bureaucratic or autocratic Government, that is a fundamental right which we cannot submit to be taken away from us. The ordinary law was allowed to be suspended by the drastic provisions of the Criminal Law Amendment Act in order to meet a very serious emergency as the Government alleged at the time. Why should we extend it now? According to the case of the Government themselves, that emergency has passed. The Civil Disobedience Movement is at an end, the no-rent campaign is at an end, all that all these movements implied and the associations that carried on the movements have been practically crushed. If that is so, why should we be asked now to enact laws of this character?

Mr. S. O. Mitra: Permanently for all time.

Sir Abdur Rahim: Some Honourable Members are mistaken in thinking that this law is meant for the States or the subjects of the States or the princes. That is not so. The law is directed against us. Under this law, no subject of any Indian State can be dealt with unless he comes and lives in British India. Therefore, the law is directed against ourselves, and we are entitled to be satisfied that there is such an emergency at the present moment with reference to the affairs of Indian States that we must deprive ourselves of the ordinary fundamental right of a citizen to express our opinion freely on the public affairs of the country. That is the position which the Honourable the Home Member has placed us in by putting forward this measure. Sir, I am not disclosing any secret, but no attempt was made to place any further evidence before the Select Committee than was placed before this House. The case has not been carried any further, and I, therefore, submit to the House very confidently that an enactment of this nature is not justified, for the circumstances have not been proved to exist, which would justify an exceptional repressive measure of this character. That is the short point, and that is the most important point. I do not care whether the Indian States or the princes or rulers of those States are democratic, despotic, or if they have any Constitution or not. That is not the point here at all. The whole thing is irrelevant, it is drawing a red herring across our path. The real point, the only point is, why should there be any law like this enacted for our benefit? Take now clause 5. It purports to proceed on the analogy of section 144 of the Criminal Procedure Code, with which my lawyer friends in this House are perfectly familiar. We know also that that section has been applied—at any rate that has been the complaint of many people—to political cases and to prevent the holding of political meetings. I do not know whether the Government are prepared to admit that section 144 has, as a matter of fact, been so applied, and, if so, that has not been properly applied. But whatever the Government's position in that respect may be, section 144 of the Criminal Procedure Code is very different from what this clause purports to provide. Section 144 of the Criminal Procedure Code has nothing to do with the prevention of any offence against any State, against any Local Government or the Government of India or the administration of any Government. It has nothing to do with them. The idea of section 144 is to secure the peace in certain emergent cases by summary preventive action by an order of the Magistrate which would last for two months. But it is not within the scope of section 144, as it now exists in British India, to bring possible offences against the State. Meetings, for instance, for expressing public opinion on matters of public importance—these do not come within the scope of section 144 of the Criminal Procedure Code which applies to British India. What are you going to do now? What is proposed is that that very summary procedure which is entirely intended for a different purpose should also be applied to meetings or any act done which has any bearing upon the administration of an Indian State. If that is a legitimate extension of section 144 of the Criminal Procedure Code, then, I ask one question. Why not have a similar extension of the law in British India itself? Are offences against our State or the offence of sedition against the Government of India or any of the Local Governments established by law in this country less serious than similar offences against an Indian State? Surely not. Even judging from the magnitude of results, there is no comparison between the two. Now, if my Honourable friend is justified in enacting a provision of this nature, then I think he would be equally justified in coming to you and saying "Here is a

lacuna in the law. Here is an omission which you have supplied in the case of an Indian State. I call upon you now to enact a similar measure with respect to your own Government". What answer would you have then? You could possibly have no answer. Section 144 could not possibly have been intended to apply to cases of this nature. There really seems no sort of justification for bringing in a provision of this character. This is a very serious matter and a question of principle. It is especially serious with respect to what may happen in the future.

To revert to clause 3. Offences against the State including the offence of sedition are matters of serious concern, and any person alleged to have been guilty of them is entitled to be tried properly. To say that a man, who is guilty of an affray or assault, is entitled to have his case heard properly in Court under a judicial procedure, but that a man charged with a serious offence against the Government is not entitled to be tried in the ordinary way by the Courts, that is a position which it seems to me cannot reasonably be maintained. It is against all canons of civilised jurisprudence to leave it to the Magistrate to deal with cases of disaffection or sedition as you call them in the case of the Indian States. I do submit with absolute confidence that it is inadvisable that there should be any such law with reference to matters affecting the administration of an Indian State. It is not a question of the form of Government that prevails in an Indian State or prevails here. It is the question of the ordinary right of a citizen to have a fair trial in a Court, if he has committed any offence. That is the ordinary fundamental right which is violated by a provision of this nature and which this House ought not to allow unless it is shown that a critical situation has arisen, which makes such a measure absolutely necessary. No such case has been made, and I do not see that the Government are at all justified in asking us to enact this law.

Now, what will be the effect of a measure like clause 5 of this Bill? The effect would be, as has been pointed out in the minute of dissent which some of my colleagues and myself wrote, that even a gathering of the subjects of Indian States, however peaceful and well conducted, could be prohibited by a Magistrate, if he in his discretion thought that it was not desirable that any such meeting should be held. Are we going to give such a far reaching power to the executive of this country? I do think that, so far as these two clauses are concerned, no good case has been made out by the Government. As regards the other clauses, I recognise that there has been some modification of the language which would tend to make those provisions, no doubt still very wide in character, somewhat more definite than they were in the original Bill. Even if these provisions, namely, clauses 2 and 4, remained, clauses 3 and 5 ought to be removed from this Bill.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 5th April, 1934.



LEGISLATIVE ASSEMBLY.

Thursday, 5th April, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

THE INDIAN STATES (PROTECTION) BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the following motion moved by the Honourable Sir Harry Haig on the 4th April, 1934:

"That the Bill to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to interfere with such Administrations, as reported by the Select Committee, be taken into consideration."

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadian Rural): Sir, my Honourable friend, Sir Harry Haig, asked the Members, while speaking on this Bill the second time, not to repeat what they had stated on the previous occasion. In my case I promise to observe it thoroughly, because I had not opened my mouth in the two previous discussions and this is the first time I am addressing this House on this Bill.

Sir, we are very proud of the States; their subjects are of our blood and their well-being is intimately bound up with ours. The States are coming into the Federation and are going to take an important part in the governance of this country. If the subjects of the States lag very much behind us, it will be a drag on the administration in British India, and for that reason the advancement of the States is a very desirable object. Sir, it is heard that Louis XIV of France said that he was the State. The idea was that he represented the State fully, that his subjects were created by God for his own aggrandisement, and that he was all in all in the State. This idea was tightly held in the bosom of his successors, and it ended in a revolution when Louis XVI paid the penalty for the sins of his ancestors. The idea, Sir, of some of the Indian States is on the same or analogous lines. They say that they are the State, and many of the princes, advanced in their views, deliberately made that statement at the Round Table Conference when they maintained that the representatives of the States in the Federal Legislature must be elected by them alone. But this theory of the princes themselves forming the State is not suitable to present-day ideas, and, as the standard and policy of British Indian administration will advance on democratic lines, the subjects of the Indian States too will demand their rights. The Honourable the Foreign Secretary in his address to the House on the 5th February followed a certain line of argument which I intend to follow on this occasion. He has very fairly, I think, stated before this House the case of the States, and at the same time he has taken great care not to name any State. I

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also want to follow the same line and I shall restrain myself from naming any State whatsoever when criticising some of the statements and shall also try to give no clue for anyone to find out what State I was speaking about. I agree with the Honourable the Political Secretary when he said:

"There are many many States so small and with such limited resources that it is impossible to expect them to compete with British India in the matter of an elaborate machinery"

—of Government, of course. He means to say that their revenue is so very small that their administration cannot be brought up to date on the lines of British India. Certainly that is a fact, and nobody expected that the high salaries paid to officers in India should be paid to officers doing corresponding work in the Indian States also. But in this case it is worth noting that some of the smaller States do not pay even decent salaries. I shall refer to this subject again later on. Further on, the Political Secretary stated:

"Broadly speaking, the government of an Indian State is more elastic, more intimate and more paternal than that prevailing in British India."

This is no doubt a fact; it is more elastic certainly, because it does not bind the chiefs and the officers of the State by rules and laws. It is paternal no doubt, because the State looks upon its subjects as in a state of perpetual tutelage, and, therefore, the administration is said to be very paternal. But, sooner or later, a child is bound to grow, and the father cannot expect the same obedience from a boy of twenty or twenty-five as one can expect from a boy of five or ten. The idea also of some of the States is that the subjects should for ever remain in a state of tutelage and that they should be allowed to administer affairs in a paternal way. This is a point on which many may not agree. Further on, the Honourable Mr. Glancy told us about the advancement in the administration of Indian States, and there I agree with him. He says:

"In practically every Indian State of any importance, there is a land revenue system modelled on British Indian lines. Regular settlements have been conducted and have been carried out in very many cases by experts borrowed from British India and the rights of proprietors and tenants have been properly provided for."

This is, on paper, a real thing. A survey settlement has been introduced in many States and an attempt is being made to bring the administration up-to-date on the lines of British India. But the laws of land acquisition and other laws are very loosely administered in the Indian States. I need not say anything further on that point. Then, Mr. Glancy said:

"It would not be difficult to point to various Indian States where the *Malguzar* enjoys a revenue assessment more lenient and more favourable than he could normally hope for in British India."

This is a fact. I myself am not conversant much with the *Malauzari* tenure. I think the *Malauzari* in an Indian State is on a better footing than his confrere in British India. At that time I made an interjection which is in the report and an Honourable Member corrected me by saying that I did not hear what he said. That is a fact. I did not hear at all that the Honourable Mr. Glancy was speaking about *Malguzars*. It escaped me at that time, and, therefore, the interjection was quite out of

place, and I take this opportunity of withdrawing it. Further on, Mr. Glancy says:

"Similarly, it would not be difficult to instance many Indian States which can hold their own and sometimes do hold more than their own with British India in the matter of public institutions such as hospitals, colleges, schools, public roads and in such matters as free educational facilities."

Well, this is also true in certain instances, but I would give an illustration. I had an opportunity about 30 years ago to go to an Indian State and I went, with a medical friend of mine, to visit the hospital at the capital town of that State. The hospital was decently kept and the patients were well looked after. So, we expressed our satisfaction, but the Doctor in charge was not at all satisfied, and he said: "Sir, our show hospital is at such and such place which is worth seeing." I had an opportunity of visiting that show hospital also, and I must say that it was certainly a show hospital. It was kept in such an excellent state that I could not expect to have those comforts even in the royal palace of that State. Each patient had a separate room to himself. The colouring and the papering of the walls was of a very superior kind and very expensive. The curtains in that show hospital were, I think, ten times much better and more costly than the curtains that are provided in our quarters. And the bedsteads must have cost something like Rs. 100 per piece, and so on. So, sometimes the Indian States have such things as show hospitals, show palaces, show schools and show colleges which are intended more to create an impression upon an outsider. I have already told you, Sir, that the other hospital which I visited was also conducted in a very good manner. So, there is nothing to complain that the patients in the other place were neglected. But, at the same time, it ought to be noted that many things in an Indian State are provided for show purposes.

With regard to roads, in some of the Indian States the roads are very fine no doubt, but on an inquiry one may find that these roads are used for *Shikar* purposes, and that the public have not got any right to go over them. I have not visited these States, but I have heard of it from a very high English gentleman, and, on his authority, I am justified in making this statement.

As regards the finances of the States, some of the States are free from income-tax no doubt; but in these States the land revenue, at all events in ryotwari villages, is much higher than in the neighbouring British villages. At the same time, one has to note that an excessively high percentage of the total revenue is spent in defraying the private expenses of the ruler. This naturally leaves inadequate funds for the payment of the staff and we see instances of Indian States wherein District Magistrate's powers are exercised by an officer getting hardly Rs. 200 or even many a time Rs. 100 only. We have seen second class Magistrates with a princely salary of Rs. 25 or Rs. 30! Then, it goes without saying that corruption in such places is very much prevalent and that the ryots of that State have to pay a very high indirect tax. I do not mean to say that corruption is non-existent in British India or in States which pay their servants adequately. Corruption will be everywhere and it ought to be put down no doubt, but then, in the Indian States, where the servants are not adequately paid, the corruption has gone to a very high degree. Further on, the Political Secretary has said:

"The people in Indian States are by no means voiceless. As regards newspapers published, there are, according to the latest reports that I have received, 442 private periodicals appearing in Indian States."

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I need not go into the number of periodicals in each individual State, but I should like to know how many of these are free to criticise the policy of the Durbar. Generally, in an Indian State, a man from outside or from inside who wants to start a newspaper takes the first step to secure the patronage of either the Diwan or the Private Secretary and then the paper is started, and its leading articles and other matters are generally of the nature of eulogy of the administration. No free criticism is tolerated, I think, even in some of the best managed States. Some of these periodicals simply give news without any comment and in this way they are above suspicion or above being interfered with. Then, many of the periodicals are in the form of monthlies which give short stories and stories by instalments and such entertaining matter, and so they manage to survive in Indian States and generally they do not come into conflict with the authorities of the State. If anybody is bold enough to criticise, then ten to one he finds himself a guest of the State without his consent.

Now, with regard to the question of Paramountcy on which my revered friend, Raja Bahadur Krishnamachariar, waxed so very eloquent. He thinks that the Indian States, on account of their treaties and engagements, ought to be treated as equals by the Suzerain Power and that there ought not to be any interference from British officers.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): I said they are not paramount. There is no question of equality. Equal or below, I do not know.

Mr. B. V. Jadhav: If one administration is paramount to another, then I think the question of equality does not arise.

Raja Bahadur G. Krishnamachariar: That is why I say they are not paramount.

Mr. B. V. Jadhav: At all events, the Raja Bahadur wants that the British Government, as the Paramount Power, ought not to interfere with Indian States. Is that a correct position?

Raja Bahadur G. Krishnamachariar: That the British Government is a Paramount Power is a mistake in terms. The British Government is not a Paramount Power. As to whether it will interfere or not, I have said about it in another place.

Mr. B. V. Jadhav: According to the Raja Bahadur, the claim of Paramountcy on the part of the British Government is not sustainable.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara; General): Is it the Crown or the Government of India?

Mr. B. V. Jadhav: I am not going to make any distinction between the Crown of England and the Government of India at present, because they are one and the same, and I do not support this view of the Raja Bahadur. Treaties were entered into some one hundred years ago or even earlier. The conditions in those times were very different and the conditions have materially changed and the change was proclaimed to the world by the assumption of the title "Empress of India" by Queen Victoria of blessed

memory so late as 1877. At that time, it was unequivocally declared that the British Crown was the Paramount Power in this land of India, and if any of the States thought that their position was prejudiced by this Declaration it was for them to have raised a protest at that time.

Raja Bahadur G. Krishnamachariar: *Zabardust*.

Mr. B. V. Jadhav: I agree with my Honourable friend that the position of the Paramount Power was *zabardust* and Paramountcy is another term for *zabardasti*. The Paramount Power is one which is stronger.

Mr. O. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Has the Honourable Member read the report of the Butler Committee in which this excellent phrase and truth appeared, "Paramountcy must be Paramount"?

Mr. B. V. Jadhav: The Indian word for Paramountcy or Paramount is *zabardust*.

Raja Bahadur G. Krishnamachariar: What I said was that the assertion of the right of Paramountcy by the British Government is *zabardust*. That is what I say. That they were not entitled to do so is a matter of law, and, if still they declared to do so, I say it is *zabardust*.

Mr. B. V. Jadhav: When *zabardust* is reduced to writing and passed by some constituted authority, then it becomes law.

Raja Bahadur G. Krishnamachariar: It still becomes *zabardust* and not law.

Mr. B. V. Jadhav: Whatever that may be, it is not a profitable discussion. Paramountcy there is and Paramountcy there ought to be, and the Indian States, big or small, are protected by the British power from external aggression and internal disturbance. The British Government in granting this protection have deprived the subjects of the States of their inherent power of rising against their ruler and punishing him. If he mismanaged, if he tyrannised in olden times the subjects had the right to rise in revolt against him and to bring him to his senses. Now, that power is taken away from the subjects of the Indian States and for this reason the State subjects ought to be compensated in some other way. Sir William Lee-Warner, in his book "Protected Princes of India", has dealt with this question, and he has said that it is the duty of the British Government to see that the administration of an Indian State is carried on on very good lines, and if the State or the Durbar is not doing it properly, then the British power must intervene. My Honourable friend, the Political Secretary, has also accepted this responsibility when he said:

"I hope I am betraying no secret when I say that ordinarily where intervention becomes necessary it takes the form in the first instance of advice and persuasion. If that advice is heeded, the public, unless somebody is indiscreet, hears nothing further of what has occurred. It is only when the advice passes unnoticed that recourse is had to more extreme measures."

I say, Sir, that it takes a very long long time for the Government of India to come to a decision that advice should be tendered to a State for maladministration. Till that time, thousands and thousands of people have to suffer under his tyranny. When that advice comes, it is left

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to him to bring it into action or not. Generally he makes some excuses and asks for more time and makes some changes in his officers and in that way he tries to induce the Foreign Office to think that matters will take a turn for the better. But, generally, the administration goes on as it was before and many a time matters have come to a crisis.

The policy of non-intervention, which has been adopted by the British Government lately, has to a very great extent added to the miseries of the States subjects. There are good States and bad States. Some of the good States are carrying on their administration admirably well and I do not think any newspaper, either inside or outside those States, has any reason to condemn their administration, and what is called blackmailing is generally not practised against these States. But when an administration is not good and the prince and his favourites are charged with undesirable acts, then the question of an exposure in the Indian press comes up and some of the princes are in the habit of justifying their own position by saying that their traducers are trying to blackmail them. I am not going into the merits of this assertion, Sir, but the fact is that there is a great deal of maladministration in these States, and I think the policy of non-intervention must be modified to a great extent in the interest of the subjects of the States. The rulers of Indian States are guaranteed in their position and in their status, but not necessarily guaranteed in their privilege of tyranny and despotism. I think, according to the spirit of the times, such autocratic action ought to be tempered or modified in the spirit of modern methods. The princes generally do not need the protection that is being offered by this Bill. Yesterday we were told that there was no demand from the Princes Chamber nor from the Executive Committee of that Chamber, nor are we told that any States directly asked for such protection; and, therefore, I think that this Bill is not wanted in the present form. The British Government have undertaken the protection of the States from outside aggression, and, therefore, the action of the British Government in preventing *jathas* marching into the State is justifiable and the whole of this House will support Government in their attempt to stop these *jathas*. As was told here yesterday, the British Isles have always afforded an asylum to people who were tyrannised by the rulers of other countries, and in this way England has helped to secure good government in other countries. Inasmuch as the Government of British India have undertaken to protect the States from outside aggression, it becomes their duty to see that the subjects of Indian States are very justly treated by their rulers. One of the causes of maladministration, as I said just now, was the inadequate salary paid to the officers, because the major portion of the revenue at all events of the smaller States was spent in the luxuries and other useless expenses at the palace. It is, therefore, the duty of the British Government now to see that each prince should have a Civil List, some fixed proportion of the total revenues of the State, and to see that the prince does not exceed it. At the same time, Sir, some arrangement ought to be provided by which at least the Political Secretary should hear the complaints of the subjects of the States and try his best to persuade the rulers to mend their manners. Sir, I have just said that the provision for the prevention of *jathas* is a necessary provision, and I support it; but, as far as the other provisions of the Bill are concerned, I do not think there is any necessity for them, and it will be much better for Government to withdraw those provisions.

Mr. K. O. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, the Honourable the Home Member has very justly drawn the attention of the House to the fact that the Members, representing the Opposition, who have appended a minute of dissent to this report of the Select Committee, themselves stand committed to some of the most important principles of this Bill. I very much hope that in view of that there would be no misapprehension in the mind of any one either in this House or outside that the Opposition here is animated by any kind of animosity towards the Indian States. It will, I hope, be recognised that the Opposition is perfectly ready and willing to afford a reasonable measure of protection that may be justified on the facts and circumstances of the case. But, Sir, I maintain that we, the dissenting members of the Select Committee, went as far as we could possibly go to meet the wishes of Government in this matter. Personally, Sir, I do not like all the provisions even of those clauses to which we stand committed. I should have liked some further improvements in the language of those clauses, but generally speaking I am here prepared to stand by the report of the Select Committee as modified by our own minute. I will attempt to explain hereafter our attitude with regard to the two clauses about which there was difference of opinion in the Select Committee. But, I want to turn just for a few minutes to the constitutional conundrum which has been presented before this House by the Raja Bahadur and which has been dwelt upon by my Honourable friend, Mr. Jadhav, this morning.

A proper definition of the constitutional position of the Indian States has ever been the despair of constitutional *pundits* of the world and I do not think it is possible for us, in the course of a debate on this Bill, to try to straighten out what is after all a very knotty issue. But, I should like, with very great deference to my Honourable friend, the Raja Bahadur, to examine a few propositions that he put forward in this connection. My Honourable friend disputed the fact that the British Government stand in the relation of a Paramount Power with reference to the Indian States. He says that assertion of such a superior status constitutes an act of *zubardusti*. Surely my Honourable friend knows it better than any one of us here that the history of all the States in India does not justify that assertion. I am perfectly ready and willing to concede that there are a few States—quite a handful of them in all—whose treaties might afford some kind of a justification to my Honourable friend for putting forward that plea; but if we take the bulk of the Indian States, the bulk even of that class of Indian States which describe themselves as treaty States, we find that in the treaties themselves the relationship is described as one of subordinate co-operation on the part of the rulers. There are expressions like “loyalty” and “allegiance” even to be found in some of these treaties. There are definite undertakings given in some of these treaties and engagements by the rulers to look after the welfare of their people and it is to be presumed that on that undertaking the British Government extended their protection to that class of States. Surely it does not lie in the mouth of any one to say in the face of these written undertakings given by the rulers themselves that the British Government do not stand in the position of Paramountcy or Suzerainty over the Indian States . . .

Raja Bahadur G. Krishnamachariar: Over those who gave in writing that they are subordinates.

Mr. K. C. Neogy: My Honourable friend knows it far better than I do, but, if I had the time, I would analyse the treaties of those States which I have in mind. Besides, there are quite a good number of States which have absolutely no written treaties or engagements of any kind, and they have to depend upon what is called political practice, usage and all that kind of thing for a definition of their status and their constitutional rights. If my Honourable friend is to be taken seriously about his contention on this point, and if his remarks are to be taken to be relevant to this present measure, then he wants to draw a line of demarcation between one small section of States—shall we call it the sovereign States?—and the rest of the Indian States; and if we are to take him to intend that, I should like to know from him whether he is prepared to confine the benefits of this measure to the first class of States, the States which, according to him, are sovereign States, and deny the benefit of this measure to the rest.

A point was raised by my Honourable friend, Sardar Sant Singh, as to whether we can justly call the Indian States administrations as being established by law, and, like Jestling Pilate, my Honourable friend, the Law Member, said "What is law?"

The Honourable Sir Brojendra Mitter (Law Member): I said "what law?"

Mr. K. C. Neogy: It comes very much to the same thing. (Laughter.)

What law, my Honourable friend inquired. I should like my Honourable friend himself to give an answer to that question. What law is ultimately the basis of any Constitution in any part of the world, either democratic or autocratic? If we analyse the position, is it not the will of the people that is the ultimate foundation of all constitutional law?

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhamadan): Is that the foundation of an autocratic State?

Mr. K. C. Neogy: I will come to that.

Now, we are dealing with the Indian States. I am not prepared to say offhand as to whether they are all autocratic in their Constitutions. I know there are honourable exceptions.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhamadan Rural): Have they any Constitution?

Mr. K. C. Neogy: Some of them have a Constitution, though their number is very small—they are mostly confined to South India—and I should be proud to be a citizen of any of those South Indian States. My Honourable friend, the Raja Bahadur, stated that these States were never conquered by any power. Again, if I may request him respectfully to study the history of the Indian States, he will find that, with the exception of a very few, whose history goes back to hoary antiquity, a very considerable number of the Indian States today are of a comparatively recent origin. Most of them came into existence as separate administrative units, possessing sovereign powers to a degree, on the decline of the Mughal power at Delhi. Powerful officers, successful troopers in

the army, and, as my Honourable friend reminds me, freebooters, taking advantage of the weakness of the Imperial authority, carved out territorial domains for themselves depending for the most part upon the support of the people of the locality. Constitutional writers recognise that whereas a *de jure* monarch has every right to demand the obedience of his subjects, if that monarch becomes tyrannous, the subjects enjoy the right, which has been described as a sacred right, of insurrection and of putting down the ruler. When the British Crown came in as the protector, shall I call it, with apologies to my friend, the Raja Bahadur, of these Indian States, they undertook to protect the States against all external aggression and against internal commotion on the part of their subjects. Therefore, it is the British Crown that has practically stood in the way of the subjects exercising that right. Now, Sir, before and after the Indian Mutiny, there were British constitutional writers, British administrative authorities like Governors General and Secretaries of State, and British public men who have on different occasions stated that just as the Crown guarantees the continuance of the rule of a particular house over a particular State territory, it also owes a corresponding obligation to the State people to see that they get a proper kind of administration and they are not subjected to tyranny or oppression of any kind

Raja Bahadur G. Krishnamachariar: That, I say, is absolutely incorrect except in regard to States which have no treaties.

Mr. K. C. Neogy: My friend does not want me to go over the ground again on this point: I have already mentioned what I think about it.

Now, Sir, the Paramount Power,—I hope my friend will permit me the use of this expression,—the Paramount Power in return for the protection that it gives to the ruler of any State is entitled to demand of the ruler of that particular State good government for the benefit of his subjects. This obligation, I must say, has been recognised more than once by Governors General and other persons in authority in the past. Now, what is the position today? The Paramount Power finds that it cannot discharge that obligation to the ruler of the Indian State, the obligation to maintain him on the *Gaddi* without the assistance of this Legislature. That is the occasion of this Bill; that is to say, although the British arms are powerful enough to maintain the ruler on his *Gaddi* as against internal commotion and as against external aggression by foreign powers, it is possible for movements of a subversive character to be directed from inside the British Indian borders, and in order to enable the Paramount Power to duly discharge its obligation in the matter of securing the integrity of the States, the Paramount Power comes up before us, through its mouthpiece, the Government of India, and asks us to furnish sufficient weapons to it for the purpose of enabling it to duly discharge its obligations in that behalf. Now, Sir, are we not entitled, therefore, to enquire of the Paramount Power as to how far it has discharged its corresponding obligation to the people? If you expect us to arm you with additional powers, which only this Legislature can give you, so as to enable you to discharge your solemn obligations arising out of treaties and engagements, are we not entitled to say that we must be satisfied on that point before we agree further to strengthen your position? Are we not entitled to inquire as to how far you have discharged your equally solemn obligation to the States people?

[Mr. K. C. Neogy.]

Now, Sir, there are Honourable Members here who consider Paramountcy to be an unmixed evil, but they forget that but for the existence of the Paramount Power most of the Indian States perhaps would not have maintained their separate existence on the map of India today. Therefore, Paramountcy is not an unmixed evil. While, therefore, I am prepared to strengthen that Paramount Power in the interest of peace in the country, I am not prepared to lend my support to any measure of this kind if I consider that the rights and privileges of the States people have not been duly safeguarded by that Paramount Power.

Now, Sir, I am reminded of the fact that my Honourable friend, the Home Member, has claimed it that we owe it to the future Federation to pass a measure of this kind, so that one unit of the Federation may not countenance subversive activities as against other units. I very much hope my friend has taken the warning from the fate that seems to be impending on Lord Brabourne, and he will in his future speeches refrain from making any reference to what the future Constitution may lay down, I am not disposed to examine this measure from the point of view of that consideration which my friend put forward. On a previous occasion I stated that if such a measure was considered to be connected with Federation, why not wait and let that Federal Legislature enact such a measure as soon as it was created? Now, if this is to be considered as a condition precedent to Federation, if it is considered to be a part of the price that we have to pay for Federation,—why Sir, I don't remember to have seen or heard anywhere of any claim that the princes put forward for such a measure and it cannot be said that the princes are not good bargainers. There are so many matters yet pending settlement upon which, I understand, the assent of the princes to Federation depends. We have yet to see and hear that the princes attach an equal importance to this measure in connection with the question of their entering the Federation. My friend, the Raja Bahadur, supported it on the ground of reciprocity. He said just as the Indian princes give protection to the British Indian administration in all these various ways, we, as a measure of reciprocity, owe it to them to enact similar measures for their benefit, and he quoted what, with due deference to him, I may call a very inappropriate illustration of this point when he referred to an amendment, which was undertaken on his advice by the Nizam, of the Hyderabad Penal Code under which sedition committed against the British Crown would be equally punishable with sedition committed against the Nizam himself. Now, Sir, I know my friend's opinion with regard to the constitutional position and status of His Exalted Highness, but we also know it that the Indian States subjects themselves owe a kind of allegiance to the British Crown. If I were to refer to a historic document, the Manipur Resolution of 1891, Honourable Members will find that the basic principle of that constitutional document was that the subjects of the ruler of Manipur owed a direct allegiance to the British Crown and that they could be proceeded against on a charge of treason, although the ruler himself rose against the British power and the subjects merely obeyed their own ruler.

Now, Sir, a question was raised yesterday with regard to the substitution of the phrase "States under the suzerainty of the British Crown" for the earlier phraseology of "States in alliance with the British Crown". and in that connection it was pointed out that in the

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General Clauses Act of 1895 this substitution took place for the first time so far as British Indian legislation was concerned. I trace this to the policy of the Government of India which was for the first time laid down in the Manipur Resolution of 1891 which put altogether a new construction upon the constitutional position of the Indian States *vis-a-vis* the Crown. If we examine a particular clause—I am sorry I have not got it with me here—in the White Paper, we will find that in the oath of allegiance, which has been prescribed for the States Members of the future Federal Legislature, this allegiance to the British Crown finds a mention, and that form of oath of allegiance was specially prescribed, as far as I know, with the concurrence of the States representatives themselves. It is too late in the day now to claim that it is merely as an act of reciprocity . . .

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Who claims all this?

Mr. K. C. Neogy: The Raja Bahadur,—when he said the Nizam had amended his Penal Code for the benefit of the British Crown, and we owe it to the Indian States to pass reciprocal measures of this kind. I won't ask my Honourable friend to go very far for the purpose of examining the accuracy of his proposition, for, if my Honourable friend were to turn to clause 2 of the Bill as amended by the Select Committee, he would find that, whereas in the original Bill the intention was to put the States administrations on a footing of equality with Provincial Governments by an amendment of section 124-A of the Indian Penal Code, the Select Committee deliberately created a new offence, a far lesser offence, because they were convinced that sedition committed, if I can use that expression at all with reference to British Indian subjects—sedition committed by British Indian subjects with reference to Indian States cannot be treated on the same footing as sedition committed by them as against their own sovereign, the British Crown. This has been deliberately made a far lesser offence punishable with a far lesser term of imprisonment . . .

Raja Bahadur G. Krishnamachariar: To whose credit does it stand? Yourself?

Mr. K. C. Neogy: My modesty would not prevent me from acknowledging that tribute, because that was the point which I mentioned when the Bill was discussed in Simla, and I must thank Honourable Members of Government for readily acceding to that point in the Select Committee. I do not think I am justified in taking up much further time of the House in carrying on this general discussion.

May I now turn to the two clauses with reference to which particularly we dissented from the majority of the Select Committee? Clause 3—the Indian Press Emergency Powers provision. I do not want to repeat what has been so ably put forward by my Honourable friend, Sir Abdur Rahim, on this particular point, but I would like to point out that it is not the case, as far as I have been able to understand the Government case—it is not the case of the Government that the evil which they complain of is of a temporary and emergent character. Blackmailing has existed for a very long time, and blackmailing perhaps will exist so long as there are people ready and willing to pay blackmail. Whereas the evil complained of is not of a temporary and emergent character so far as the

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Indian States are concerned, what are we doing here? We are seeking to amend an admittedly temporary provision of the law for the purpose of providing against what is claimed to be a permanent evil. What is the implication of our action? When we enquired in the Select Committee as to what the intention of the Government was in this matter, as to what would happen when this temporary legislation would expire, because, as the temporary legislation expires, the amendment which we are seeking to make to it also will automatically cease to have any effect—all that we could get,—and here I speak, subject to your ruling, because we are not expected to divulge what happened in the Select Committee,—all that we could get was a very significant smile from the Honourable the Home Member in reply to that question.

An Honourable Member: All Smiles Movement!

Mr. K. C. Neogy: I want to utter a word of warning in this connection. Here we are, deliberately and with our eyes open, trying to provide against an evil of permanent character by seeking to amend a measure which is temporary in its duration so far as British India is concerned. If we accept this provision, as soon as the life of this measure expires, we would be, I am sure, asked by the Honourable the Home Member to renew the life of that measure, if not in the interests of British India, at least in the interests of the Indian States. So, let no one be under any misapprehension that we are merely providing for a measure which will be very temporary in its duration. Referring to blackmail, I must complain that neither in this House nor in the Select Committee did the Government of India think it fit to place before us a typical collection of newspaper writings which are expected to be prohibited by a provision of this character. But certain extracts were read out by my Honourable friend, Mr. Dumasia, on the last occasion from a collection of translations of a few typical writings in the vernacular press, which, I understand, was circulated at the instance of some of the princes among some of our friends here. It was placed at my disposal by my Honourable friend, Mr. Thampan, who had a copy of it. When I examined those extracts, I found that, with the exception of one or two, none would be covered by this provision. Some of the attacks were of an extremely personal character, of a very undesirable character, grossly scurrilous and most objectionable, and they were directed against female relations of rulers. But, in so far as they were of a personal character and in so far as they were not directed against the ruler himself, there could absolutely be no chance of the offenders being dealt with under this particular provision. I do not know whether it would be held by any Court of law that a malicious attack of that character against a ruler himself would bring the writer within the mischief of this provision, because conceivably the ruler might be taken to represent the administration or at least to be identified with it so very closely that action of that character might be taken, but what about the near members of his family? You cannot stop blackmail. If you pass legislation of this character, they will simply divert their attention to members of the family. It serves equally their purpose for the purpose of levying blackmail. So my Honourable friend, the Political Secretary, should be under no delusion that, by simply passing this measure and by taking action under this measure, he would be in a position to stop blackmail for all time.

Now, Sir, with regard to those writings which seek to rouse popular indignation against the rulers of States and their administrations . . .

Mr. C. S. Ranga Iyer: Will the Honourable Member support this Bill when its scope is extended so as to protect the person of the rulers of the Indian States?

Mr. K. C. Neogy: I am in no mood to support or extend the provision as it stands. I am not at all prepared to make the administrations of Indian States immune from any kind of criticism. If my Honourable friend joins with me in seeking to delete this provision, I will certainly consider very seriously and sympathetically the suggestion of my Honourable friend as to whether we should not give some protection to the person of the ruler.

Mr. N. M. Dumasia (Bombay City: Non-Muhammadian Urban): In the Select Committee, you were against it.

Mr. K. C. Neogy: Of course I was, and I am still against this particular provision.

Mr. N. M. Dumasia: You were against the protection of the person also. There was an amendment moved by Mr. Anklesaria and you voted against it.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order.

Mr. K. C. Neogy: Mr. Anklesaria's amendment was out of order. As the very title of the Bill shows, it seeks to protect the administration.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadian Rural): Is it open to Honourable Members to point out the attitude taken by a particular member in the Select Committee?

Mr. President (The Honourable Sir Shanmukham Chetty): The point has been made perfectly clear by a ruling. Mr. Dumasia was not in order in referring to Mr. Anklesaria's amendment.

Mr. K. C. Neogy: As I have stated, this Bill has nothing to do with the person of the ruler or the person of his near relations. As the Bill itself indicates, it is intended to protect the administrations of States, and any such amendment would be absolutely out of order on such a Bill.

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadian Rural): On a point of personal explanation. What I said was that in an Indian State the administration coincides with the person of the ruler. That was what I said in the Select Committee.

Mr. K. C. Neogy: That will have to be tested by a proper Court of law, and I am prepared to concede that a Court of law might conceivably take that view so far as the ruler himself is concerned.

Mr. C. S. Ranga Iyer: Has not the Honourable Member tested whether this Court of law, of which the President is the judge, would disallow any amendment of the Bill by extending it in order to apply it to the person of the ruler?

Mr. K. C. Neogy: My Honourable friend has not understood me at all. I am not in favour of this clause as it stands. I am not in any event going to support it. All I said was that if a proper measure were brought forward to protect the person of the prince and his near relations from malicious attacks of this character and to make it a penal offence, I may be prepared to support such a measure if my Honourable friend would support me in seeking to delete this particular clause.

Mr. C. S. Ranga Iyer: It was open to the Honourable Member to move an amendment substituting for the word "Administration" the rulers and their relations.

Mr. K. C. Neogy: The rulers and their relations would not be quite relevant to the other clauses of the Bill.

Mr. C. S. Ranga Iyer: The relevancy could be tested by moving his amendment. The ruling is not generally accepted in this House. There is another authority to give the ruling. z

Mr. K. C. Neogy: I quite know that, but we have to act upon the rulings that have been given by the Presidents in the past, and if my Honourable friend were only to refresh his memory on this point from the previous rulings, he would see the absurdity of the remarks that he has been making.

Sir, apart from the personal attacks indulged in the press, I was referring to the other class of unfair criticism, criticism which is likely to rouse popular indignation particularly among the State subjects. I should like my Honourable friend, the Political Secretary, to tell this House as to whether it is not a fact that papers which publish criticism of that character are not permitted to enter the Indian States. If that be the fact, how can the writings of such papers on such lines ever have any effect upon the States peoples themselves? I now come to clause 5 which is very much cast on the lines of section 144 of the Criminal Procedure Code, as has been pointed out by my Honourable friend, Sir Abdur Rahim. Section 144 prescribes a judicial procedure for the purpose of enabling district authorities to prevent mischief of a serious character being done on emergent occasions. As has been pointed out by Sir Abdur Rahim, the scope of section 144 has been considerably extended in this particular clause. I should like to point out one further fact in this connection, and that is this. If it is to be a judicial proceeding, if the action which we contemplate the Magistrate to take is to be taken on proper tested evidence, as is required under various rulings given under section 144, what will be the result? A British Indian Magistrate, sitting in a British Indian district, will have the authority to call upon the States Governments to furnish satisfactory evidence on which alone he could proceed. Evidence would have to be given with regard to the state of affairs in an Indian State about which the British Indian Magistrate would have absolutely no personal knowledge and without the knowledge of which he would not be in a position to discharge his judicial functions. My Honourable friend, the Political Secretary, would do well to examine this particular point and to satisfy himself as to whether, by making a provision of this character, if the Magistrate is intended to act judicially, the jurisdiction of the British Indian Courts would not virtually be extended into the

Indian State territories. I am very much in agreement with the apprehension expressed by the District Magistrate of the Nilgiris on this point. He virtually says that although in the analogous section, section 144 of the Criminal Procedure Code, from which we have borrowed this language, the Magistrate is expected to act judicially in such a case when action is taken for the benefit of an Indian State, the Magistrate will, as a matter of fact, have to take action on the testimony of Government, and the judicial procedure would be reduced to a mockery. There is another District Magistrate, the District Magistrate of South Canara, who says that the District Magistrate should know very much more than he does at present about what is going on in Indian States if he is to properly discharge his duties under this particular clause. My Honourable friend would perhaps say that the dangers which have been described by some Honourable Members, and which might arise from this particular clause, would not arise, because the operation of this particular clause depends upon a special notification to be issued by the Government as laid down in sub-clause (3) of clause 1. What may happen in practice is this that when an Indian State is in a disturbed condition, the neighbouring Provincial Government will issue a notification bringing this particular clause into operation in the neighbouring districts, and if we can accept the authority of the District Magistrate of the Nilgiris—after all, it is these officers who will have to administer this law, he will take that very fact of the Government having promulgated by notification this particular clause to be sufficient justification for him to proceed against all and sundry against whom complaints may be made. Now, Sir, that is one reason why we think that we cannot possibly agree to this particular clause. As I have already stated, so far as the other provisions of the Bill are concerned, so far as creating a new offence of a criminal conspiracy against the Indian States is concerned, so far as preventive action against the assembling of *jathas* is concerned, we on this side of the House are at one with the Government that those provisions are required in the present circumstances and, so far as I and many of my friends on this side are concerned, we will certainly support those particular provisions of this Bill; but so far as the two other provisions, which I have already mentioned, are concerned, we are afraid there can be no compromise. (Loud Applause.)

Mr. C. S. Ranga Iyer: Sir, Mr. K. C. Neogy, the Leader of the Democratic Party, said that I was rather absurd when I suggested that, if he was really honest—and by honest I mean straightforward—in his suggestion—I do not attribute any dishonesty—if he were honest and straightforward in his concern for the princes as he *pretended* to be—and I use the word “pretended” deliberately—he would have moved an amendment to extend the scope of this Bill either by substituting “the princes and relations” for the word “administration” or by adding “princes and relations” to “administration”. I maintain, Sir, that the Leader of the Democratic Party was pretending, shedding, like the wily crocodile, tears for the princes while he had hatred in his heart. He pretended that he would much rather go to a South Indian State and be its citizen than be a subject of the ruler of a State in North India,—and then he comes and says, “I would rather have the person of those rulers protected than their administration”! Again, he pretended that he wanted democracy in the Indian States, he wanted responsible government in the Indian States, he wanted the administration to change, he wanted to clip the

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wings of the rulers, he wanted to make them as constitutional as their liege and lord, the ruler of "a crowned republic" as H. G. Wells described Great Britain, but in the same breath he says, "I would rather protect the princes, how treacherous is the Honourable the Political Secretary for having let down these princes!" There is Mr. Neogy whose heart burns for them, bleeds for them, and here is installed a betrayer of the rights and requirements of the princes on the Treasury Benches! The time has come for Mr. Neogy to change places, but my fear is whether the Political Secretary will agree to occupy those Benches, at any rate take the place of one, the Leader of a Party, who stands upon the floor of this House and denounces, as no one has denounced in this House, and saying that he would much rather be a citizen in a South Indian State—so barbarous is the rule, he would never agree to come and be a citizen of one of those States, and so free from hypocrisy is his demand that he would rather have their person protected!

Sir, if Mr. Neogy had been really earnest and serious about it, instead of indulging in a commonplace and frivolous remark, he would not have indulged in those absurdities and insincerities and hypocrisies so unworthy of a leader of the Opposition. He said the Opposition is not animated by animosity. I say, Sir, Mr. Neogy was animated by rank hypocrisy, and insincerity, for surely he said: "If you will support me in this particular matter, if you will agree to support the princes instead of the administration, I at any rate will support this Bill". Surely not! I will not agree to support the person of the princes until the personal rule in the Indian State changes, until the princes are thrown down from their present position of autocracy, until they are made responsible to the people of their States, until then, no, never, will I agree to protect the person of the princes. (Hear, hear.) I would much rather protect the administration of the States. Take, for instance, the administration of Kashmir, where the people are coming more and more into their rights—the rights and liberties and responsibilities which are certainly the cherished possessions of the subjects of an Indian State. Take, again, Kapurthala and see how reforms are being introduced in that State. Well, when reforms come into those States, as they have come into Travancore, Baroda and Mysore, —I am not satisfied with those reforms I want responsible government, the same autonomy that comes into the Provinces must come into the States also,—and then I shall extend to the rulers of the States the rights that the ruler of a self-governing country will be entitled to. At present I can only think of the administration of an Indian State. I cannot think of the ruler of an Indian State: and there are occasions and there are times when the rulers are different from the administration. And here comes Mr. Neogys' own justification for the existence of the Paramount Power. He put his sword into Raja Bahadur Krishnamachariar. Sir, the Raja Bahadur has dealt with able veterans. Time was when he measured swords with Mr. Eardley Norton, his friend and colleague, in many cases and also opponent in some cases.

Sir Cowasji Jehangir: Poor Mr. Norton!

Mr. C. S. Ranga Iyer: "Poor Mr. Norton", as truly the Deputy Leader of the Independent Party, exclaimed, "poor Mr. Norton" sometimes had to bow to the superior wisdom of the Raja Bahadur, and oftentimes the Raja Bahadur sat at Mr. Eardley Norton's feet, but, in this

particular discussion, I am more in agreement with Mr. Neogy about the Paramountcy of the Paramount Power than with the Raja Bahadur. I say the Paramount Power has got to exist, because the ruler of an Indian State is a tyrant and a despot constitutionally, and until the Constitution changes in the Indian State, until he ceases to be a tyrant and a despot, no responsible House like the present Legislature would agree to give him support; and separating, so far as the debate is concerned, the argument from the hypocrisy thereof, the critical part of it from the hypocritical part of it, Paramountcy is necessary and will have to exercise its vigilance more vigilantly than it has done in the past or as vigilantly as it has done, until the units of the coming Federation attain the same autonomous position as the units in British India. The trouble with Mr. Neogy is:

The world feels the present spell,

But Neogy feels the past as well.

(Laughter.)

He went to the Manipur dispute or trouble, I believe, he said, of 1891. He was then wallowing in the mud of the last century, and when he came nearer to the present, he would not look far ahead or for that matter even two or three years ahead at the Federation. He would not have even read "the Objects and Reasons" of this Bill when it was introduced in this House where Federation appeared. And if he had done so, he would have played the part of a friend of the Indian States and made it possible for the development of one united India. Sir, Mr. de Valera has yet to face the problem in Ireland of a united Ireland. Ulster refuses to come into the fold merging with southern Ireland into a larger Free State and the biggest problem that confronts Ireland today, including the Irish Nationalists and the Irish Extremists, the Republicans as well as the followers of Cosgrave, is the development of one united Ireland. Are we to profit by the folly of Ireland or are we to repeat in this country the follies of Ireland and never promote the development of one united India? If the British bureaucracy were inclined to prove to be as vicious as often times we have described it to be—and in this particular instance as the late lamented Maulana Muhammad Ali dreaded in some of his brilliant articles in the *Comrade* and as some of the old leaders dreaded and spoke from the Congress platform—if that was their intention, they would have fulfilled their intention by not bringing the Indian States into the Federation, by not allowing British India and the Indian States to mix together, by putting them up into water-tight compartments, so that there would be one big belt of Ulster beginning from Cape Camorin and ending with the Himalayas or the Hindu Kush mountains. Then "British India Federation", as the reactionary politicians in and outside this House are fond of saying, would have developed and the Indian State despotism would also have developed in its own mediaeval way following the discredited methods of a forgotten past. And then autocracies would have developed side by side with democracy with the result that India could never have been united. "One land, one heart, one flag" would have remained a dream, a phantom of the wilderness. On the contrary, the British Government and the Government here have co-operated with patriotic princes and British Indian politicians in developing a Federation, and the Federation is in sight. The princes may have a past which is not creditable, but we are not concerned with the past, we are concerned with the present. We are more concerned with the future and we must make the future pleasant, the future great, the future mighty for the sake of

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nationalism, for the sake of all that is splendid and glorious in India's history. Therefore, we are asked whether we are prepared to make this the occasion to show a gesture of neighbourliness to the Indian States. The "democratic" Leader has unfortunately failed to rise equal to the occasion, although he is willing to help them. He says "my heart bleeds for the princes if not the administration". He might as well say, "My heart bleeds for Tweedledum, but not for Tweedledee". And then he talked about the press. He said, "Beware, it is not going to be a temporary measure; it is going to be a permanent one". I hope it will be a permanent one.

Mr. N. M. Joshi (Nominated Non-Official): Why?

Mr. C. S. Ranga Iyer: Mr. Joshi says, "Why". If he would allow me to complete my sentence, I hope it will be a permanent one, if this Government's successor would like to make it permanent and if that Government will be a federally responsible Government, for a responsible Government has the right of forging fetters if fetters are necessary. (Hear, hear.) Is there not a responsible Government in Italy today? Talk not of the liberty of the press in Italy, much less of licence. Is there any liberty of the press in Russia today? Has not democracy forged ahead? Democracy has set up a dictator, a dictator whose policy is rooted in the approval of the people. Democracy does not mean freedom from responsibility. Democracy does not mean giving a charter to everyone in the street, every newsboy or newspaper, every fool who can scrawl a few lines in a newspaper and call it an article. It is not democracy to give every fool the right to hurl his libellous attacks on the backs of whomsoever he likes. This is license, not liberty. My friend, Sir Cowasji Jehangir, I am certain, when he stands up, will support my point of view, because he has an administrative record like his great leader, the Leader of the Opposition, who talked with greater caution than the Leader of the Democratic Party. Sir Abdur Rahim did not stand up and offer himself like the "fatted calf" to the Secretary of the Political Department and say: "My dear fellow, why don't you have protection extended to the princes"—for the Leader of the Opposition is a democrat though he does not wear democracy on his sleeves. (Laughter.) That is the trouble. And if he were the Prime Minister of Bengal or the Prime Minister of the Federation of the future, probably he would have warmed into the subject with less caution than the Honourable the Home Member, for then he would have felt the pulse of Indian States and the pride of British Indian responsibility behind him. He would have had the glory and the patriotism of patriotic authorities behind him, and then, with the voice of a responsible and a democratic leader, he would have come forward with a legislation of this kind if it were necessary. I say this restraint is absolutely necessary for the Indian newspaper, and I shall tell you why. I speak with great caution when I say that it is absolutely necessary and I speak with great restraint when I say that I speak from the experience of smaller newspapers like the *Young Utkal* of Orissa and the bigger papers like the *Independent* of Allahabad. Both the *Young Utkal* of Orissa and a big paper like the *Independent* of Allahabad were not concerned with the Indian States, and they were model newspapers. That is what I was coming to.

Mr. N. M. Joshi: Oh!

Mr. C. S. Ranga Iyer: Mr. Joshi says "Oh". If Mr. Joshi were to walk up to the Library where we have today a good number of respectable and not necessarily responsible newspapers, and if Mr. Joshi were to look into the file for the last three months and make a study—there is time enough, because we may have this debate for another day, not this particular debate, which I hope will be finished today, but on the amendments,—if he were to go to the Library, because there is a non-official day in between, then in six hours he can make up his mind if he were to search the file of the newspapers and if he were to point out to me how many newspapers are enthusiastic about the disgraceful administration or the graceful administration of the Indian States—disgraceful as Mr. Neogy would put it and graceful as Mr. Anklesaria would put it about certain States. And if Mr. Joshi were to place his experience after reading the literature on the subject before this House, he would most certainly find that out of 100 newspapers only half a newspaper or one-fourth of a newspaper is interested in the administration of the Indian States. When I say this, I do not, of course, take into account those little rags with no circulation. They are interested in blackmailing that administration, and, therefore, for the sake of journalism we must put down these blackmailers. (Applause.) Remember that the press must not be confounded with blackmailing which is worse than the worst form of licence. The gutter press has given a bad name to the great Indian newspapers. Sir, if there was a lunatic in the neighbourhood of this House, surely we should not allow him to roam about Delhi in the name of freedom. If there was a thief or a blackmailer, we must lock him up. I know the argument that only decimal one per cent. or decimal half a per cent is so bad and why punish the entire newspaper press which is just like saying, if you have only one lunatic, why put him into the asylum and if there is only one thief or blackmailer, why put him in the prison and why condemn the whole race. Sir, this press part of the Bill is a tribute to the Indian newspapers. When I attacked strongly, on the floor of this House, the application of the Press Bill to the Indian newspapers, I did so, because they were being put down, at any rate, I felt and still feel they were put down in their exercise of a legitimate right of criticism, namely, criticism of the British Government in India. What the British India newspapers and propagandists want is to criticise the White Paper scheme, to criticise the administration and to criticise the repressive laws and their repressive policy and to criticise their internment policy, and all these matters are being day after day criticised and criticised strongly in the columns of the Indian newspapers. If my Honourable friend, Mr. Neogy, were to bring forward an amending Bill removing these press restrictions, I at any rate will strongly support that amending Bill. But the papers in British India are not concerned with Indian States, and those that are concerned with the Indian States are either blackmailers or whitemailers. The blackmailer produces the whitemailer and the whitemailer and blackmailer develop into a sort of a "Daily-Mailer", sensational, making your flesh creep. Support for the princes surges, because the other side is attacking.

And then there is a worse side, and this worse side is confined to some of the good newspapers. This brings me to the eloquent speech of my Honourable friend, Bhai Parmanand. Sincerity always lends him eloquence especially when he is talking about his community to whose future and to whose greatness his life, I say with all sincerity and admira-

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tion, is dedicated. When he espouses the cause of Hindu citizens of a Muslim State, he finds difficulties, because a C. I. D., very likely a Muslim C. I. D. (Laughter), was following him when he was trying to enter Bhopal. If some Muslim enthusiast were to try the same thing, probably he will have to make the same complaint against a Hindu C. I. D. and a Hindu State. The trouble is, and it is not confined only to the Hindu Mahasabha, it is confined to other organisations which are supporting their own communities, and the trouble is that very good newspapers, some of them very respectable and very responsible newspapers in our country, are taking up the cause of the distressed or the depressed communities, the minority or the majority communities of these States. That communal trouble is spreading. I know Lahore was very nearly in the throes of a revolt of a communal kind when the conflagration was spreading in Kashmere. I know the newspapers, both Hindu and Muslim, took virulent sides in the Punjab. The time has come when the communal holocaust must be confined to the Indian States, the time has come when both the Hindu and Muslim newspapers must be prevented from blowing communalism into British India. (Hear, hear.) There was a time when our politicians like Gokhale rightly used to take pride in Indian States being free from communalism which was a vice of British India and its administration. But the table appears to have been turned. We know that a communal whirlwind is blowing in the neighbourhood of Kapurthala and we also know that other States are in the communal black book, whether Hindu or Muslim, I am talking with utter impartiality in the matter

Mr. B. Das (Orissa Division: Non-Muhammadian): What about the Sikhs of Patiala?

Mr. C. S. Ranga Iyer: My Honourable friend must not exhaust his arguments. I leave alone his ammunition, I should not encroach upon it. I am dealing now with a very important question, and I will not allow even the very serious whip of the Democratic Party to trifle with my arguments.

This communal mischief is the menace that threatens the growth of nationalism in this country. Even though I am not agreeable to the Communal Award myself, I refuse to flog a dead horse. I propose to treat it as a settled fact until the Hindus and Muslims, responsible men with a following unanimously or with the bulk of public opinion behind them, tear up that agreement and substitute a better one for it. That being my view, I will not be a party even if a leader of the Democratic Party were to be a party to it, I will not be a party in spite of all the "absurdities" in which these politicians sometimes indulge, to quote the very new phrase of Mr. Neogy of a parliamentary kind, in spite of all these nationalistic "absurdities", not supporting the suppression of this communal press—by suppression is not contemplated only the restraining of the communal press—and in not supporting it, their talking of nationalism is but playing with communalism. They are talking of democracy, but playing with mobocracy. Gibbon said of one of the Roman Tribunes, he "talks the language of patriots, but treads in the footsteps of despots". My Honourable friend, Mr. Neogy, expressed surprise, "Oh! it is going to be a permanent measure". Probably it will

become necessary by permanent legislation to restrain the communal press, so that nationalism may prosper, for the time has come for Hindus and Muslims to embrace each other as brothers, and when the Hindu States and the Muslim States with the Hindus and Muslims of British India are making common cause, it does not lie in the mouth of a handful of politicians to say, "do not restrain the communal press they like the howl of the banshee". Even Mr. Neogy said "like the Jesting Pilate", he was less of a pilot, so far as this Bill is concerned and more of a jester, he said, the Honourable the Law Member asked what is the law, and he added, "I wait for an answer". The Jesting Pilate asked "What is truth" and did not wait for an answer. Therefore, Mr. Neogy has taken away the honour which he threatened to thrust on the Honourable the Law Member, for he was not sure of his own legal position having wandered for a while, in this debate, from the realms of law into the realms of paramountcy which he considered was something not quite legal sometimes and sometimes extremely legal and wandered from the administration of the State into the privacies of the princes and said "their relations" also must be protected and not the princes only.

Then, Sir, he said it is this British Government which is responsible to us which sends soldiers to Indian States to keep the princes free from the attack of hooligans, he wants to protect those princes only by legislation! Surely he is so sincere about it that he does not want to protect their persons by lending forces when their person is in danger! So much for the sincerity of his argument. Is it unconstitutional, I ask, for the British Government to lend the strength of the army if it is necessary and asked for by the poor Indian princes? I am not going to detain this House by making a long speech on how the Indian States lost their army. I am not here to educate my Honourable friend, the Political Secretary, who knows more on this point than I at present can lay claim to. My study is yet to improve of this matter. But when the Paramount Power removed, either with the willingness or without, of the princes, the armies from the States, legally they were entitled to demand military protection should the occasion arise. It is no use saying, "Why not allow the subjects to cut the throats of the Maharajas or their wards? Why should you send your military? Are you not doing an illegal thing?" Mr. Neogy has yet to study the law on the subject. He said he liked to be a citizen of a South Indian State. Sir, he did so well as Acting President of this House once that I keep free for him the Presidentship of the Cochin Parliament. I myself have many relations in Cochin State and was once a citizen of that State. Then he talked of "constitutional commundrums", but was unfortunately caught in a constitutional cobweb. I little imagined that speakers on this side were such great "spiders" as to catch that poor "fly".

Sir, I must now turn my attention to the Leader of the Opposition. (Laughter.) I must speak with great respect, for Sir Abdur Rahim has changed. He has moved with the times. He has given a lead to India, and coming as the lead does from a highly respected leader of the Muslim community and the Leader of the Opposition in this House, a leader full of sympathy for nationalism which is in his heart, I value that lead. Sir, when he left this House and these shores, he was a pessimist; he had doubts about the Federation. He was entitled to his doubts, but after sitting in the Joint Committee and rubbing shoulders with His Highness the Aga Khan and Sir Samuel Hoare, democrats and bureaucrats, all,

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he came to the conclusion that, good or bad, Federation is inevitable and he signed the Indian Delegates' Memorandum which supports the Federation. Naturally, he spoke with great caution. Naturally as the Opposition Leader, he has got to oppose this motion. I know he has put in a note of dissent on which Mr. Neogy threatened to embark by way of a speech, but fortunately refrained from spoiling his argument. Sir Abdur Rahim's arguments were fairly good,—I cannot deny that. I believe the Honourable the Home Member will realise how reluctant lawyers are to extend provisions which they have administered and on the administration of which they have sat as Judges. I respect the disagreement of a brilliant ex-Judge of the Madras High Court and a brilliant ex-administrator of the Bengal Government. But that Government had to do a great deal in those troublous days with the restraint of public rights. I do not for a moment say that Sir Abdur Rahim did not dissent, if he thought dissent was necessary, in the Cabinet of the Bengal Government. He is one who always believes in writing notes of dissent. (Laughter.) I remember in my young days a brilliant note of dissent that he wrote in the Public Service Commission's report after the passing away of Gokhale. He and Gokhale had worked it up and he gave his signature to it, willing to plough, if necessary, a lonely furrow. When a leader of such great eminence and responsibility stands up in this House and casts doubts on the extension of section 144, I must at any rate say that there is some respect that has got to be attached to it. But what I want is this. Do you want cleanliness in the use of the section or do you not want? As Sir Abdur Rahim himself must have noticed, the public have complained about a torture of that section, using it for a purpose not meant by its originators? The attack against section 144 has been that it has been abused, so constantly abused that the public are disgusted with that abuse. I welcome a much cleaner use of a section; create a new section instead of abusing the old. Government and you are at one on that point; you and the Government agree that section 144 will not meet the requirements in this particular case. And if Government try to make that section meet the requirements you rightly pounce upon them and say, why null this section as though it were a piece of rubber? Even India rubber has its limitations. Such being the case, so far as the creation of disturbance in an Indian State is concerned, I would most certainly cut off the coal from British India which feeds that disturbance. I would put every power in the hands of Government, so that you will cut at the root of the mischief straightaway and you will not lay the axe at the root of the Federation. Sir, we are friends and neighbours. British India and Indian States, and the time has come when we must also show that we are willing to protect them from British India being used as a base of operation for creating rebellion in the Indian States. That way Federation and unity between British India and Indian States cannot grow.

Sir, lastly, with the Federation in sight and spacious days of pan-Indian politics, I must take a forward casting vision and beg of my friend, the Leader of the Opposition, not to take a backward and a depressing view. I would ask him to look forward to posterity instead of looking backward into times that were, the beginning of the Penal Code when the States were deemed to be Asiatic Powers in alliance with the Crown. Those days have dwindled long by the slow decay of that old superstition in the

Indian State. I would rather request the Leader of the Opposition to let the past rest in its grave and face the future, as he has no doubt faced in the Indian Delegates' Memorandum. I believe his presence in the London Committee has improved that memorandum. And now I would ask him not to allow the ghosts of the past to haunt us in this House, but to ask his great following to address themselves to the future. But really, are the States any longer Asiatic Powers with an independent status? Have they been so since the days of Lord Dalhousie? Rather than summon from the shadowy times gone by, the forms that once have been, rather than brooding over "the good old times",—not that all times when old are good,—let us abandon the idea of grinding the federal mill of the future with the still and stagnant water of the past. Let not our souls be stirred with the voices that come from a distant and disappearing era. While retaining, if Sir Abdur Rahim must, a secret sympathy with the heritages of olden times, I hope this House will espouse by its vote, should it be pressed, the cause of modernism. Our souls must not be stirred by the pre-Federation rhetoric in which Mr. Neogy indulged, because the princes who stood aloof and stood away are coming under one umbrella. "The present must interest us more", as Disraeli said, "than the past, and the future more than the present". As Wordsworth says in "Excursion",

"We see by the glad light
And breathe the sweet air of futurity
And so we live or else we have no life."

(Applause).

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions. Muhammadan Rivali): Mr. President, when speaking on the first reading of this Bill, I inquired of the Honourable the Home Member whether it was the princes themselves who wanted a measure like this. This question was again repeated on the floor of this House; but the Home Member gave no definite reply

The Honourable Sir Harry Haig (Home Member): I do not know what kind of reply my Honourable friend expected me to give; but I said that, though the princes have not made any formal representation, we have no doubt whatever that the princes as a body do want this legislation.

Sir Muhammad Yakub: If the princes, though they have not formally asked the Government of India for a measure like this, have expressed their desire for this measure, I think they have committed a second Himalayan blunder: the first blunder was when they agreed to join the Federation with British India. In our desire to give protection to the Indian princes, I find that the very discussion of this Bill, during the last two days, has subjected the administration of Indian States to such severe criticism as it was never criticised or attacked before this in any Honourable House like the Indian Legislative Assembly. I find that the discussion on this Bill during the last two days has attacked the constitutional position of the princes to such an extent that probably it was never publicly assaulted in any tribunal in British India. My Honourable friend, Raja Bahadur Krishnamachariar, in his zeal to show to the world that for a long time he has eaten the salt of an Indian State, tried to expound his old theories of constitutional law explaining Suzerainty and Paramountcy and things like that

Raja Bahadur G. Krishnamachariar: I object to that remark: it is not a question of having eaten the salt: it is an absolute conviction though it may not be shared by my Honourable friend as he never studied this constitutional position at all.]

Sir Muhammad Yakub: Therefore, I say that it was his zeal that made him explain, in his old age, all that he had learned in his youth in an Indian State, and the result was that his old and antediluvian arguments provoked my friend, Mr. K. C. Neogy, to make an exhibition of his knowledge and to show to the world that he was also briefed by a few Indian princes to advocate their cause at the Round Table Conference. In this fight between two friends or foes of Indian States, during the last two days, their position and their prestige has been so much wounded, behind their back, that it was never done before; when these gentlemen were making their speeches, I thought that the Indian Legislative Assembly had turned into a Butler Committee; and the pity of it is that all these discussions were going on behind the backs of Indian princes when there was nobody to advocate their cause, when there was nobody to explain their point of view, when there was nobody to defend their position. I am sure that the Honourable the Political Secretary has taken notes of the two speeches and probably he will say something about the matter, but it would be from the point of view of the British Government, and I know that on questions of Suzerainty and Paramountcy the points of view of the British Government and of the Indian States always do not agree.

Coming again to the question of protection, I submit that this Bill, when it is brought on the Statute-book, will expose the Indian States to more criticism, and to more scrutiny by the British people and the British Courts of justice than it was done before. What is the object of this Bill when it is passed into law? If there is any agitation going on in the Indian States, and if the Indian press writes certain articles which, in the opinion of a Magistrate in British India, are calculated to bring into hatred the administration of the Indian State, they would immediately file a complaint in a British Court and then the administration of the Indian State would be asked to supply material for the prosecution of the case and to defend their administration: up to this time the rulers of Indian States could very well escape all scrutiny and all sorts of criticism from British India. They could very well say "Well, what can we do? These newspapers are publishing calumny against us and we are gagged: we have got no weapon to attack them, and, therefore, they could screen their follies and their mistakes". But, now, when this Bill is placed on the Statute-book, they will have to defend their administration, and they will have to prepare their brief. Not only this. My friend, Sardar Sant Singh, said that if we are asked to give protection to Indian princes, what are we getting in return from them? I say, we are getting in return from the Indian States the thing which we had never before, and it is this, that our lawyers and our Courts of justice will scrutinise the administration of the Indian States and will see whether the Indian States administration is right or wrong, and our lawyers will subject the officers of the Indian States to searching cross examination and to very severe criticism, which could not be done before; and, therefore, I say that by putting this Bill on the Statute-book we are not affording protection to the Indian princes. On the other hand, we are trying to improve their

administration, to expose their administration to the criticism of British Courts of justice, and, in this way, we are forcing them to come into line with the administration of British India: and it is in this light that I welcome this Bill.

As regards the two clauses to which objection has been taken, that it would inflict great hardship on the Indian press, I think that these clauses will not bring any hardship on the *bona fide* criticism made by papers in British India. On the other hand, they will raise the value of their criticism. Their criticism and their just scrutiny of the administration will be appreciated more than it is now appreciated, when it would come on the anvil of a British Court of justice. If they have got sufficient material to prove their case, they will come out of the ordeal with flying colours, but if the press is trying to blackmail the Indian States, naturally they deserve the punishment which would be awarded to them, and we should have no reason to sympathise with a press like that.

As regards the question as to whether these two clauses are permanent or temporary, my own idea is that if the provisions of the clause are clearly based on a measure which is itself temporary, they could not be considered as permanent measures, and if they are not permanent provisions, there is no reason why we should forestall the date of grief which would come when the time of the temporary measures expires. If after the expiry of the term of emergency measures, the Government come up again before this House and want to put these provisions permanently on the Statute-book, we will see whether a state of emergency exists then or not. There can be no doubt that the tide of agitation which arose in India, during the last four or five years, has gone over to the Indian States, and no doubt a state of emergency exists today in the Indian States. The administration of Indian States, whether it is Kashmir, Bhopal, Rampur or Alwar, has been attacked during the last four or five years in such a way as was never done before at any time, although the administration of those States was conducted on exactly the same lines as it is conducted today. Now, what does it show? It shows that the infection of agitation in British India has affected the people of the Indian States and their supporters, and, therefore, a state of emergency does exist in the Indian States as well, and a measure like this, which is a measure of emergency, if it is passed into law for British Indian administration, should also be passed for the administration of Indian States. With these observations, Sir, and in this light I lend my support to the motion before the House.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. N. N. Anklesaria: With all my limitations, I venture to submit that much of the talk on Paramountcy and the constitutional aspects of the question was irrelevant to the issue before the House. It is a trite maxim concerning a legislative debate like the present that when a legislative measure is criticised it is incumbent on the critics to suggest a better

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measure than the measure ~~that~~ they are criticising, if there is to be any validity or justice behind their criticism. So far as I have been able to understand the debate, almost every Honourable Member has admitted the justice and validity of the principle of protecting Indian States administrations from attempts to subvert the State or to create disaffection or to cause interference with the administration thereof. Now, Sir, that principle is embodied in the scheme recommended by the Select Committee, and any speaker who criticises the present Bill must suggest a better scheme of implementing that principle. Whether the scheme suggested by the critics is a better one or not than the one recommended by the Select Committee can only be seen when we come to consider the different clauses of the Bill, and I submit that long discussions on the general principles involved with regard to the Bill and the clauses would hardly be justified at this stage of the discussion.

Mr. B. Das: But you are speaking.

Mr. N. N. Anklesaria: I am going to be very brief.

My Honourable and esteemed friend, Sir Abdur Rahim, who has wholeheartedly and absolutely unreservedly supported the principle of the Bill, has also supported some of the important provisions of the Bill, but he has objected to the clause relating to press and to clause 5 relating to preventive action by the executive. Criticism coming from Sir Abdur Rahim is entitled to all possible weight in this House, but I venture to submit that his criticism, as I hope to show, is based somewhat on misapprehension of even the basic principles involved in this question.

There are two schools of juristic thought concerning the principles involved in this Bill. There is a juristic school which says that "man is by nature good", and the less the interference with his activities the better for the State. There is another school which says that "man is by nature a ferocious and libidinous gorilla", and his being left uncontrolled is, more likely than not, to give scope for activities of the worse side of his nature, and that, therefore, he requires to be controlled in accordance with the principle of prevention is better than cure. My Honourable friend, the Home Member, like most British statesmen, has taken up a middle position. He wants to interfere with the individual's activities by way of prevention of evil as far as possible and by way of punishment of evil when and so far as is necessary. I submit no reasonable man can possibly cavil at the position taken up by the framer of this Bill. The Leader of the Opposition based his opposition to clauses 3 and 5 on four grounds. He said that the substitution of judicial procedure by executive action is uncalled for, because, firstly, he says that there is an existing law, namely, the Indian States (Protection Against Disaffection) Act. I submit, my Honourable and esteemed friend is labouring under some misapprehension when he cites that Act in support of his contention, because that Act does not substitute executive action for judicial procedure or judicial trial. Secondly, the Leader of the Opposition said that clauses 4 and 6 are obnoxious, because the experience of the Indian States (Protection Against Disaffection) Act of 1922 shows that it has had no practical trial. I say, there is another way of looking at the thing. If there have been very few cases under the Act of 1922, it ought to be rather the merits of that legislation than otherwise. It ought to show that the executive is not likely to abuse such powers if they are entrusted to the executive as in the present case. Then

it has been said that this Bill and this ~~clause~~^{clause 5} particularly is part of an emergency legislation. Now, Sir, that is a presumption which is not justified by the facts. Clauses 3 and 5 do not show by themselves that they are meant to be emergency powers except that clause 3 is part of the Act of 1922. Now, as my Honourable friend, Mr. Neogy, pointed out, so long as blackmailers and inciters to sedition will exist in this world, legislation like the one before us will be necessary, and if such legislation is not enacted in its permanent form by this Bill, it will have to be enacted later on when the occasion arises, when circumstances may be considered more favourable than today. Another argument is advanced, and it is asked who wanted this Bill? The princes never wanted it. I am surprised at this argument being addressed in this House. Who wanted the Indian Penal Code? Who petitioned for it? Who wanted the Ordinance Bill? I say that the necessities of the situation which must appeal to a Government worthy of its name have caused this Bill to be brought forward. Honourable Members talk of reciprocity, but I regret to say that in their remarks on the present Bill they avoided giving proper effect to that principle of reciprocity. Whoever looks at the map of India must acknowledge how closely the Indian States are interlaced with the British territory, and if the subversive movements which happily have been brought under control in British India were to be held simply by British Indians without the active and sympathetic support of the States, I think the Government of India would have found it somewhat hard and difficult to cope with the situation and with the same success, as I am happy to say, they have done. There is another aspect of this reciprocity question. Honourable Members have talked of Paramountcy which requires the Paramount Power to interfere in the internal administration of the States for the protection of the subjects. I say if the subjects have a right to be protected, have not the rulers the same right to be protected and in a like manner?

An Honourable Member: Protect the subjects first.

Mr. N. N. Ankhesaria: I cannot see why the subjects should be protected first and the rulers next. An impartial Paramount Power should extend protection equally on both sides.

Then, it is said that, as regards clause 5, it substitutes executive action for judicial procedure. If my Honourable friend who raised that objection had looked at sub-clauses 4, 5 and 6 of clause 5, he would have found how untenable the objection is. As a matter of fact, in so many words, sub-clauses 4, 5 and 6 provide for judicial procedure, for a pleader, for arguments, and for cancellation or alteration of the order passed by the executive. If that is not judicial trial and if that is not judicial procedure, I do not know what can be called judicial trial and judicial procedure. In one of the opinions submitted there is an opinion of Mr. Justice Niamatulla. He says that, if the States want protection, they must also undertake to some degree of control by the British Indian Government. He says, if only the States agree to some degree of control by the British Indian Government, they should be placed on the same footing as the British Indian administration. The least that should be insisted upon in return for such a legislative enactment is that a right to petition the Governor General or Governor should be conceded to every person aggrieved by any action of the State Administration and the same right of appeal to the Privy Council should be given from the decisions of the highest tribunals in the State as exist in British India.

An Honourable Member: Read also the second paragraph.

Mr. N. N. Anklesaria: It says "It is not fair to State subjects to be deprived of the right to criticise the State administration, etc.". That is absolutely irrelevant to the point I am making. I say, you cannot legislate on a principle of *quid pro quo*. Imagine a man saying that the Ordinance Bill will be passed if such and such rights are given. Can anybody consider this as common sense? ●

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Rural): But that is the position of His Majesty's Government—dual policy.

Mr. N. N. Anklesaria: The dual policy is a matter of policy and not a matter of legislation. We are present here to legislate seriously with regard to a serious legislative measure. Imagine, Sir, a prostitute being told that she will have no remedy in a Court of law unless she improves her conduct.

An Honourable Member: She is a citizen.

Mr. N. N. Anklesaria: In the same way, an Indian prince is a human being.

An Honourable Member: Not a citizen of British India.

Mr. N. N. Anklesaria: And in some cases he is an ally of the British Government, a subordinate ally though he may be. Sir, for all these reasons I say that we should finish this first reading of the Bill as soon as possible and pass on to the consideration of the clauses.

The Honourable Sir Brojendra Mitter: Sir, I find that there is some amount of confusion in the appreciation of the scope and principle of the Bill. We have had an interesting discussion on Paramountcy, but in my judgment Paramountcy has nothing to do with the present measure. The principle of this Bill is not founded upon any doctrine of Paramountcy. Paramountcy is a relation between the Crown and the States, but here we are dealing with the States as international persons, and we are seeking to afford protection to those international persons. The whole principle of the Bill is the principle of neighbourliness, nothing else; it has nothing whatsoever to do with the relation of the Crown to the States, it has nothing whatsoever to do with the internal organization of a State, or in other words, the constitution of the States. A State may be autocratic, it may be a constitutional monarchy, it may be anything, but we are not concerned with that. What we are concerned with is this. Here are the States dotted all over India and we in British India are their neighbours. As neighbours, they are entitled to some amount of protection from us. We have nothing to do with their internal organization. All we are interested in is that, as neighbours, as good neighbours, we should give them protection from mischievous activities which are initiated in our territory. That is the scope of the Bill. It is simply the law of neighbourliness; that is the principle underlying this Bill. It has nothing

again, to do with the individual rights of any ruling prince. We in this Bill are dealing with the rights of a State, the administration of a State, or, in other words, the government of a State. We in British India should see that busy bodies in British India or a scurrilous press in British India do not do anything which may disturb the tranquillity of a friendly State. That is the scope of the Bill. It has nothing to do with the personal rights of a ruler; it has nothing to do with the relation between the ruler and his subjects; it has nothing to do with sovereignty or semi-sovereignty or with all those other questions which are involved in Paramountcy or Suzerainty. In the Preamble to the Bill it is said:

"Whereas it is expedient to protect the Administrations of States in India which are under the suzerainty of His Majesty."

Now, those words—"which are under the suzerainty of His Majesty"—have been introduced merely for the purpose of identification, for nothing else. They do not create any right, nor do they take away any right.

Raja Bahadur G. Krishnamachariar: But it claims suzerainty?

The Honourable Sir Brojendra Mitter: By this Bill nothing is claimed. It is only identifying the States to whom protection is sought to be given by this measure. Nothing else. Sir, it has been said that a State does not lose its identity either by the change of its Constitution or by a change in the dynasty or by the limitation or extension of its territory. There are certain States which enjoy a certain amount of sovereignty, others which enjoy a larger or lesser degree of sovereignty, nevertheless, they are distinct from British India, they are also distinct from some foreign States which are within the geographical limits of India, namely, French India and Portuguese India. The latter are foreign States. In order to distinguish the Indian States from foreign States, that is, French India and Portuguese India, in order to distinguish them from British India, these words have been introduced,—merely for the purpose of identification, not for any other purpose. This is not an insidious method for taking away rights which the States may possess. No insidious intention underlies this Bill.

Then, it has been said by my friend, Sardar Sant Singh, that every subject in a State has got the right to rebel against his ruler. Sir, he may or may not have the right. We are not discussing that; that is a matter concerning the internal organization of the State,—the rights of the State subjects against their ruler. We are not dealing with that, we are dealing with the States as "units", whatever may be their internal order. They are our neighbours, and we have evidence that mischief is brewing in British India or mischief brews from time to time in British India for the purpose of disturbing the tranquillity of those States. The whole question, therefore, is this—what is the measure of the mischief, and what is the measure of the protection that is necessary? That is the whole question before the House. Sir, we have to satisfy the House that the need exists. The House has the right to ask—what is the extent of that need and the measures which you propose? Are these measures in excess of the needs, do they fall short of the needs, or do they just meet those needs? These are the relevant questions which the House has a right to discuss. I submit, Sir, that the debate should be confined to the relevant issues—that is, does the need exist? If so what is the extent of that need and of the measures proposed? Are they necessary, or in excess of the needs of the situation? If we limit ourselves to the real points at issue, the debate may be brought within reasonable bounds.

Mr. B. R. Puri (West Punjab: Non-Muhammadan): Sir, before I enter into the merits of the debate, I think I owe an explanation to my Honourable friend, Mr. Ranga Iyer, since the last Session

Mr. C. S. Ranga Iyer: Louder, please.

Mr. B. R. Puri: I thought you had ears long enough to hear me.

Sir Muhammad Yakub: But he has got a longer tongue.

Mr. B. R. Puri: Sir, my Honourable friend occupies a responsible position in the Nationalist Party, though—at present he has migrated to the European Group—but I know, at all events I knew,

Mr. C. S. Ranga Iyer: On a point of correction, Sir—my friend is chivalrous enough to give way, and as he is very accurate in his work, I hope he will be accurate here also. Sir, I belong to the Nationalist Party, and not to the European Group, for the Ethiopian may change his skin, but not I my politics.

Mr. B. R. Puri: You are evidently acting under false colours.

Mr. C. S. Ranga Iyer: On a point of order, Sir. I want the Honourable gentleman to withdraw his remark "under false colours", because the allotment of the seats is made by the President in consultation with Parties. I am not responsible for the allotment of my seat here. The Honourable gentleman must withdraw the expression "under false colours". I ask your permission to make him withdraw that expression.

Mr. B. R. Puri: I refuse to do anything of the kind

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair must point out that the locality which is occupied by a Member does not indicate the Party to which he belongs. The place where Mr. Ranga Iyer is sitting is the place allotted to the Nationalist Party.

Mr. B. R. Puri: Then I apologise to the Chair. That is the only quarter to which my apology is due.

Now, Sir, the observations which emanated from the gallant Deputy Leader of the Nationalist Party—I do not know whether he still occupies the same position as he at one time did—I am told that he does—I am very particular that the observations which I happen to make are not inaccurate and I would like my Honourable friend to let me know if it is a correct statement that he still occupies the position of a Deputy Leader of the Nationalist Party.

Mr. C. S. Ranga Iyer: I would ask him to inquire from the Whip of my Party, who does not seem to contradict him.

Mr. B. R. Puri: Well, Sir, I will assume since my learned friend is not in a position to contradict what I say

Mr. C. S. Ranga Iyer: I made an offer of my position to my friend who was almost tempted once.

Mr. B. R. Puri: The speech which we heard this morning, I must confess, was a great performance. It was couched in a bellicose spirit, and, in the course of his long speech, we discovered my Honourable friend had many occasions of pouncing upon Honourable Members all round the House.

Mr. C. S. Ranga Iyer: Not quite so badly as you did on a former occasion.

Mr. B. R. Puri: Whenever I find that you are legitimately entitled to be heard or permitted to interject, I will sit down and give way, but unless and until I do that, please keep to your seat.

Mr. C. S. Ranga Iyer: I interrupted you sitting.

Mr. B. R. Puri: Now, Sir, the attitude of my learned friend this morning reminded me of an incident which I read a few days back of an Irishman who happened to go to America for the first time, and, passing through Broadway, he saw an altercation going on between some people in the street until it developed in—to blows. He approached the policeman on duty and said: “May I know, Sir, if this is a private fight or can anybody join?” My Honourable friend, Mr. Ranga Iyer, was this morning in the same mood as the Irishman who visited America.

Mr. C. S. Ranga Iyer: You cannot have a private fight in a street.

Mr. B. R. Puri: My learned friend's views which he expressed this morning no doubt were very valuable from his own point of view, but if they were intended to be any contribution towards the subject that the House is now engaged in, I am afraid I did not discover any relevancy beyond the fact

(Mr. C. S. Ranga Iyer got up to speak.)

Please sit down.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order

Mr. B. R. Puri: So far as the contribution towards the State Protection Bill is concerned, I must honestly confess that I found absolutely no material in that speech.

Sir Muhammad Yakub: You must remember that the Leader of his Party has not yet spoken.

Mr. B. R. Puri: Well, so far as the Leader of the Party is concerned, I have got every regard for the Leader or even for the Deputy Leader. I have not lost all regard even for Mr. Ranga Iyer.

Mr. C. S. Ranga Iyer: Question?

Mr. B. R. Puri: But I cannot help remarking that he belongs to a Party which at present is in the position of a battalion consisting of all Field-Marshals. And Mr. Ranga Iyer happens to be one of them.

Mr. C. S. Ranga Iyer: When did you cease to be one of them?

Mr. B. R. Puri: Long ago.

Mr. C. S. Ranga Iyer: That is too modest.

Mr. B. R. Puri: Now, Sir, all that Mr. Ranga Iyer said before the House this morning had, as I have already submitted, very little bearing on the subject that the House is engaged in. It was, however, replete with unparliamentary epithets and at times one thought that it was an impeachment of the Leader of my Party than a speech on the States (Protection) Bill.

Now, Sir, Mr. Ranga Iyer, speaking in the last Session on this very Bill, said by way of an apology in the course of his speech that the views he was expressing were not the views of Mr. Ranga Iyer as a member of the Nationalist Party and that they were his private individual views. Some Honourable Member interrupted him and wanted to know from Mr. Ranga Iyer if the views he was expressing regarding the attitude of the Indian Press towards the States were his views as the President of the Northern India Journalists' Association. Mr. Ranga Iyer candidly said that those were not his views as the President of that Association either.

Mr. C. S. Ranga Iyer: When did I say that?

Mr. B. R. Puri: Nor did those views bear any resemblance with the views which used to emanate from the mouth of former Mr. Ranga Iyer as we knew him. Therefore, we wondered whose views Mr. Ranga Iyer expressed and in what capacity such views were being commended to the House. They were not the views of a Nationalist; they were not the views of Mr. Ranga Iyer of former fame; and they were not the views of a Journalist. Then, whose views were they? It struck me that Mr. Ranga Iyer's politics had undergone some sudden change on account of some circumstances not known to us. It is not for us to probe into that question, but, nevertheless, we felt that there had been a marked change in his views. Mr. Ranga Iyer was perfectly welcome to entertain one set of views at one time and change and shift to another set of views at another if it suited him.

Mr. C. S. Ranga Iyer: I have not changed my views in regard to my attitude towards the Princes (Protection) Bill. The Honourable gentleman is tilting at wind mills in his brain.

Mr. B. R. Puri: If Mr. Ranga Iyer persists in interjecting, then I have no objection to yielding to him provided he comes out with some sensible interjection. If it is merely for the sake of preventing me from going on with my speech, then I must say that I am not going to yield at all.

Mr. C. S. Ranga Iyer: I am willing to make a sporting offer to my friend, for he has very savagely accused me of changing my views. I say that, all the time I have been in this House, I have always opposed the restriction of the liberties of the press in regard to the administration in British India. And wondered why a similar restriction has not been put in regard to their criticism of the Indian States as 99·9 per cent of the Indian newspapers are not interested.

Mr. B. R. Puri: This is not an interjection, but a speech.

Mr. C. S. Ranga Iyer: A sensible interjection if you please.

Mr. B. R. Puri: Sir, I would draw your attention to the main point in his speech delivered in the last Session and also read it in the light of some of the observations made by the Honourable the Political Secretary in his speech which he made on that occasion. The Honourable Mr. Glancy made the following observations at page 533 of the Assembly Debates, Volume I, No. 8:

"What I have been saying will serve, I hope to bring out one unfortunate feature of the irresponsible Press, and that is, that the editors and proprietors of such newspapers tend to pay more regard to their own profits than to any benefits which they may confer on others. This is an aspect of the case which has been touched upon by my Honourable friend, Mr. Ranga Iyer, and others who have followed him and I do not think that I need say very much more about it. Everyone will have noticed, for instance, that a certain type of newspapers will make a point of running a violent campaign against a particular State. Day after day, week after week, these attacks go on and then suddenly for no very apparent reason they fade away into silence and calm prevails. Not very long ago, I asked the proprietor of a certain newspaper to explain a phenomenon of that nature. He thought for some time and then he said very wisely that he believed the material supplied to him must have changed. (Laughter)."

Now, I commend each and every word of this passage to the consideration of the House, and I will ask the House to recognise its most significant character. It is a pregnant passage, it is a passage replete with sense. There is a very clear innuendo involved in it and it requires no effort to discover its meaning. It says practically in plain language the thought of the speaker. He says that the credit of ventilating or bringing before the House this idea goes to my Honourable friend, Mr. Ranga Iyer, and some others who followed him, but the principal contributor of that idea is Mr. Ranga Iyer. It is on Mr. Ranga Iyer's information and assurance that the Honourable the Political Secretary was in a position to place before this House this serious aspect of the state of affairs which prevails in the Indian Press, that from day to day, from week to week a campaign is carried on, and, then, all of a sudden calmness and silence prevails. One wonders what has come about. What has happened all at once that those eloquent and persistent attacks have subsided without leaving any trace or semblance behind. The Honourable the Political Secretary makes no secret of it, and he says that the reason why that campaign has come to an abrupt end is due to the fact that the man has been bought over. It is a clear case, according to him, of blackmailing, and I agree with him. I think his conclusion is perfectly correct. That credit goes to Mr. Ranga Iyer who passed this idea into the head of the Political Secretary

Mr. C. S. Ranga Iyer: The Honourable Member's statement is a reprehensible untruth. I have had no conversation with the Political Secretary in regard to the Press and have put no idea into his head, and the first time I knew that there was a Press Bill was when I came to this House.

Mr. B. R. Puri: Well, Sir, I would not allow myself to come down to the level of Mr. Ranga Iyer and I would, in spite of provocation, still use parliamentary language. I am very grateful to Mr. Ranga Iyer for the

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choice language which he has used, not only towards me, but towards my leader also, and it seems that he is in a mood to go for any man and to use any sort of epithet against anybody who crosses his way.

Mr. C. S. Ranga Iyer: Any one who makes insinuations full of untruths

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Honourable Member made a violent attack this morning, and the House patiently gave a listening to him and he was not interrupted. The Chair has certainly no objection to allow the Honourable Member to get up and make any personal explanation he wants, if the Honourable Member, Mr. Puri, gives way. But the Chair cannot allow this continuous interruption (Hear, hear) which is against all recognised practice of this House. (Hear, hear.)

Mr. C. S. Ranga Iyer: I rise to a point of order. I want your definite ruling and I think I am within my rights as a Member of the House when, unchallenged by you, Sir, he went on insinuating and suggesting and asserting that I had given the particular information to the Political Secretary, I say I am within my rights to say that the Honourable Member indulges in reprehensible insinuations. I have no other way to speak but to interrupt as I am doing, and I propose to do so and take the consequences in the matter if you do not prevent the Honourable Member concerned in indulging in personal attacks. This morning, when the Leader of his Party in an unparliamentary way spurned my interruptions and accused me in indulging in absurdities, I did not attack him personally as the Honourable Member is now attacking me personally. I attacked his arguments vehemently and propose to do so right through the debate. I will not allow any Honourable Member in violation of parliamentary privilege to discuss personally telling untruths of a reprehensible kind that I was in collaboration with the Political Secretary giving him information. I spurn that statement as a vulgar falsehood.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Chair cannot take upon itself to decide whether an Honourable Member is mentioning a fact or what is contrary to a fact. If an allegation has been made against any Honourable Member, it is up to the Honourable Member to get up and, by way of personal explanation, to say that the allegation is not true. That is the only parliamentary privilege allowed here. The Chair cannot allow in this House a continuous interruption when an Honourable Member is on his legs.

Mr. C. S. Ranga Iyer: May I request you, Sir, to address the Honourable Member concerned to direct his machine-gun arguments against my arguments in which case I shall delightfully listen. I did not attack personally the Leader of his Party, but I tore his arguments to pieces.

Mr. B. R. Puri: I am very grateful for the ruling which the Chair has been pleased to give, and I hope Mr. Ranga Iyer will profit by that ruling and will not resort to most abusive and insulting language which he has so far resorted to. I must now proceed with the argument.

I was addressing the House and I will go back now to the point when I was interrupted and say that the position taken up by the Honourable the Political Secretary in that passage is that Mr. Ranga Iyer, who was referred to by name specially along with certain other Honourable Members who followed him, certainly gave him the necessary information on that point or expressed their views to him to that effect.

Mr. C. S. Ranga Iyer: The Honourable Member does not know English.

Mr. B. R. Puri: May I know, Sir, if I am permitted to answer these interjections and abusive remarks in the same coin, for I assure you, I also know how to abuse and insult. (Laughter.)

Several Honourable Members: You go on. Leave him alone.

Mr. B. R. Puri: This is not the proper place for the display of such language. If the Chair is going to give me the necessary protection, well and good; otherwise if the Chair is going to give me also a blank cheque, I can go on. (Laughter.) I should like to have your ruling.

Mr. B. J. Glancy (Political Secretary): Sir, may I make a personal explanation? I am afraid I perhaps expressed myself badly. If I did, I am sorry. All that I meant to suggest was that on the floor of this House certain Honourable Members, including Mr. Ranga Iyer, had drawn attention to that particular aspect. I did not mean to insinuate that he said anything to me privately about that particular incident of a change of material; and if I gave that impression, I am sorry.

Mr. B. R. Puri: I am grateful for this statement and I accept that as absolutely accurate. And if I conveyed the impression that Mr. Ranga Iyer went about and gave the Political Secretary some private information, I apologise for it. What this passage really conveys is, as the Honourable the Political Secretary has stated, that Mr. Ranga Iyer expressed that view on the floor of the House. That, I submit, is practically the same thing. What I really intended to convey was that that was the view of Mr. Ranga Iyer. Whether he expressed it to one Honourable Member or whether he expressed it before the whole House makes not the least difference. I merely wanted to trace the authorship of that statement to Mr. Ranga Iyer that was my point, and I again repeat and maintain that it was Mr. Ranga Iyer's view, namely, that there is a section of the Indian Press which carries on for some time a persistent propaganda of calumny against the rulers of the states and their administrations; and all at once some thing happens and their activity is abruptly closed. The point was taken up and pursued by the Honourable the Political Secretary.

Now, Sir, I hope my eyes are not deceiving me at the present moment, for I do not see Mr. Ranga Iyer in the House just now. As I am going to deal with a very important matter relating to the activities of a certain newspaper, of which Mr. Ranga Iyer himself was the editor, I would like to see Mr. Ranga Iyer present in the House to face the statement I am about to make on the floor of the House. Sir, Mr. Ranga Iyer was the editor of a newspaper called the *Daily Herald* which is published and printed in Lahore. During the celebrated days when a campaign was going on against the Kashmir State, when there

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was a lot of agitation against the administration of that State, when *jathas* were being organised and were marching into the interior of that State, when according to Mr. Ranga Iyer there was apprehension of a serious riot on a very large scale in Lahore over that question, in that atmosphere it would be of some interest to the House to know what Mr. Ranga Iyer was doing.

Mr. C. S. Ranga Iyer: On a point of personal explanation; the Honourable Member has made a personal reference and I am standing up, because he has put to me a question as to what I, as the editor of the *Daily Herald*. . . .

Mr. B. R. Puri: I never put any question to you, and I do not want any answer.

Mr. C. S. Ranga Iyer: On a point of personal explanation; the Honourable gentleman referred to me as the editor of the *Daily Herald* in that riotous atmosphere in Lahore and wanted to know what I did. I wrote several articles in my paper calling upon Government to interfere and put down that riot, and I wrote a poem editorially on the Governor of the Province, praising him for prompt interference resulting in the prevention of a ghastly riot in Lahore arising from the repercussions of the Kashmir strife. That is what I did.

Mr. B. R. Puri: Well, Sir, Mr. Ranga Iyer has given us his exploits and he has told us that he wrote a poem in praise of the Governor . . .

Mr. C. S. Ranga Iyer: For preventing a riot.

Mr. B. R. Puri: for preventing a riot. We have not seen that poem so far.

Mr. C. S. Ranga Iyer: I am quite willing to produce it to the Honourable Member.

Mr. B. R. Puri: I daresay, some sort of poem might have appeared which might have escaped my notice. But I will tell you what did not escape my notice which appeared in his paper.

Sir, from day to day, week in and week out, Mr. Ranga Iyer in the *Daily Herald* in those troublesome days came out in broad headlines and announced in very bold type that Mr. Ranga Iyer, the editor of the *Daily Herald* was about to bring out and let loose on the world a book which would expose the maladministration and the misrule prevailing in the Kashmir State. This was the announcement which was made, not in one issue, but repeated in various issues from day to day. If anybody followed those announcements and studied their language and the wording, one could not escape the impression that the writer or the person who was responsible for these announcements wanted the "proper quarters" to know that Mr. Ranga Iyer was about to blow up the Kashmir State, unless some measures, to prevent him from doing that, were taken in time. That, Sir, was the announcement and it appeared continually, but all at once we found that those announcements subsided. Not that Mr. Ranga Iyer had resigned his post, not that Mr. Ranga Iyer

had gone out of the country, the self-same Mr. Ranga Iyer was still there; the paper was still going on; only one fine morning we found that those announcements all at once disappeared, and that promised book has up to this date not seen the light of day. The world today is the poorer for not having that valuable book.

Mr. C. S. Ranga Iyer: On a personal explanation, Sir—I have a right to it, because the Honourable gentleman has suggested and very truly because from day to day an advertisement appeared in the *Daily Herald* that I was going to write a book: perfectly true: the *Daily Herald* took my part in this business: I was in Delhi; and I got a warning from the Punjab Government which is no longer private property, because it was exposed in the Council of State and reprinted in the *Daily Herald* that if within the next 24 hours or perhaps the next two days,—I forget which,—the offending article and the spirit of that article is repeated, heavy securities will be demanded from the *Daily Herald*. If Mr. Puri will find me a Press in the Punjab to publish that book and pay security, I will hand over the copy.

Mr. B. R. Puri: Apart from the fact that no book came out, how did Mr. Ranga Iyer happen to change his views along with it? His original views, as Mr. Ranga Iyer then expressed, were that there was misrule of a most scandalous character which obtained in the Kashmir State and that he was about to expose it. That being his view; one has only to compare that view with the views which Mr. Ranga Iyer has expressed today and in the last Session regarding the attitude of the Indian Press to blackmail the princes. When the Honourable the Political Secretary made his observations in the passage referred to, he little realised the irony of fate, that the author who was responsible for advocating that deed on the floor of the House had perhaps himself acted in a manner which was susceptible of a very uncharitable interpretation upon his own conduct. I am not suggesting that Mr. Ranga Iyer was bought over or that his effort was directed to blackmail the State. All I suggest. . . .

Mr. C. S. Ranga Iyer: In this particular matter I was on the side of the Kashmir administration.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair would draw the attention of the House to a ruling that has been given in the past with regard to matters of personal explanation, and this was the ruling:

“An Honourable Member is not entitled to make any personal explanation while another Member is speaking. He must wait.”

The meaning of this ruling is that if an Honourable Member wants to make a personal explanation in the middle of a speech of another Honourable Member, the Member making the speech must give way, and if the Honourable Member does not give way, then the Honourable Member who wishes to make a personal explanation must wait until the Honourable Member who is speaking has finished his speech, and then he should ask the permission of the Chair to make any personal explanation.

Mr. C. S. Ranga Iyer: On a point of order, Sir: when an Honourable Member indulges in false insinuations and persists in indulging in such

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insinuations, it has been the parliamentary practice to interrupt him from the seat loud enough to contradict him; but if the Chair denies the opportunity for that interruption, then the only alternative is to rise to a point of order and then, even though it may not be a point of order but a personal explanation, contradict the Honourable gentleman. The Honourable Member has made one attack on me of a personal kind that I was going to write a book. . . .

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order.

Mr. C. S. Ranga Iyer: I have got to explain, Sir, I will submit to the Chair's ruling, but I am explaining my point of order, and I will finally take your ruling. I am only making my position clear, so that I want your ruling in the matter. The Honourable gentleman has indulged in a series of personal attacks: the first attack I have already mentioned—that I had come to an unholy agreement privately with the Political Secretary. . . .

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member is now actually going into the merits of that personal explanation. The Chair has quoted the ruling which it proposes to observe (the Honourable Member must listen to the Chair), that if any personal explanation has to be made, the Honourable Member can do so only if Mr. Puri gives way; otherwise the Chair will certainly give him a chance as soon as Mr. Puri finishes. That is the practice that the Chair proposes to follow, and the Chair would like Mr. Ranga Iyer to say anything which will make the Chair alter that practice that has been followed.

Mr. C. S. Ranga Iyer: To avoid the luxury of personal explanations, it has been the parliamentary practice to allow Honourable Members who are attacked in an untruthful and insinuating manner to interrupt with one sentence or half a sentence, so that there will be no necessity for a personal explanation, and, even if the necessity arose, the relevancy would be understood by the House and the misunderstanding which, under the cover of privilege, an Honourable Member makes is removed. That has invariably been the parliamentary practice, and, therefore, if I am not allowed by the courtesy of the Honourable Member concerned to make my interruption in a parliamentary manner, I have got occasionally to interrupt him from my seat.

Mr. President (The Honourable Sir Shanmukham Chetty): Occasional interruptions are certainly permissible, but if the interruptions reach a point when the Honourable Member making the speech cannot proceed with his argument, then it is the duty of the Chair to protect the Honourable Member who is making his speech.

Mr. C. S. Ranga Iyer: On a point of order: and my point of order is this: when an Honourable Member indulges in every sentence in a personal insinuation of a vulgar kind, interruption becomes equally necessary in every sentence; but if it is only in paragraphs that he indulges in insinuation, the interruptions will also be in paragraphs.

Mr. B. R. Puri: I had almost forgotten that I was on my legs. (Laughter.) Proceeding with the topic, I will now invite the attention of the House to the speech of Mr. Ranga Iyer on this Bill made in September, 1933 (Vol. VI, No. 4, page 1191 of the Assembly Debates). Mr. Ranga Iyer is reported to have said :

We know what happened in regard to Kashmir when *Jathas* proceeded from British India. Had this Bill been in existence instead of the poor Maharaja of Kashmir incurring the odium of putting them in prison, the British Government would have legitimately taken the responsibility on their shoulders and stopped these people proceeding to the State. They were arrested after crossing the borders. The example of Kashmir is before me. I personally feel that I should not go into the details in regard to a particular State. But I am within my province when I say that I do not want the mischievous, the wicked and the unpardonable kind of propaganda that was carried on in a certain section of the Punjab press against a Hindu Maharaja."

Now, may I respectfully ask this House to weigh these noble sentiments which Mr. Ranga Iyer has so ably expounded in this passage? He is practically shedding his tears over the unfortunate lot of the Kashmir administration. Such tears are sometimes described as "crocodile tears", a phrase which, with apologies to Mr. Ranga Iyer, he used more than once towards Mr. Neogy this morning. Anyhow, they are not genuine tears, and that is all that I want to show. They are not genuine, because the self-same Mr. Ranga Iyer, while the *jathas* were proceeding, while the position of the Kashmir Durbar was being embarrassed by the advance and march into the Kashmir territory of those *jathas*, Mr. Ranga Iyer was adding fuel to the fire by announcing to the world that he was about to come out with an exposure of the maladministration of that State. I put it to the House in all seriousness and in all fairness to see whether the conduct of Mr. Ranga Iyer, which he on that occasion evinced, did not lend encouragement to the propaganda against which he is now complaining now for it is no small support to know that your *jathas* are directed against a scandalous maladministration. But, Sir the views of people do change. To-day he is the champion of Northern Indian States. When Mr. Neogy this morning committed the sin of saying that he would be proud to belong to one of the States in the South, Mr. Ranga Iyer could not tolerate such insinuation, he could not stand it; he would not allow such a remark to be made, because it indirectly contained a slur, it was defamatory to the position of the Northern India States. Those Northern India States, according to Mr. Ranga Iyer of 1931-32, were the very States whose administration was, according to his programme, such that it required to be exposed, so that the world might know to what limits autocratic atrocities could be carried.

Now, Sir, I am not accusing Mr. Ranga Iyer for his having changed his views. People have changed their views before this. People have changed their views for good reason, for bad reason and for indifferent reasons

An Honourable Member: Sometimes for no reasons.

Mr. B. R. Puri: Yes, sometimes for no reasons.

Another Honourable Member: Sometimes for "material" reasons.

Mr. B. R. Puri: Yes, sometimes for "material reasons". That is a very material suggestion. This, Sir, reminds me of the story of Sir Thomas Holland who stood for the parliamentary election and was going round his constituency. He called at a house

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Is it the Geologist Sir Thomas Holland or the Jurist?

Mr. B. R. Puri: The Jurist. Does it make much difference?

Mr. Amar Nath Dutt: Yes, the Geologist Sir Thomas Holland was a Member of the Executive Council here.

Mr. B. R. Puri: Well, he was going round his constituency, and he happened to call at the house of a voter. The voter himself was not there. The old lady was there, and the candidate thought that since he had come all the way he might make use of the opportunity by entering into a conversation with the lady. He said: "Well, now, what are the political views of your husband, my good lady?" "Oh", she said, "His political views, what do you mean?" "What I mean is, whether he is a 'liberal' or a 'conservative'." "Oh", she said, "if he goes to a liberal meeting, he comes back as a liberal". But Sir Thomas asked what happens if he goes to a conservative meeting. The lady replied: "Oh, if he goes to a conservative meeting, then he comes back home as a conservative". Sir Thomas Holland asked: "But, what are his views at home?" "At home", she said, "he is a blooming nuisance." (Laughter.) So, Sir, people sometimes according to change of circumstances hold views which are liberal and sometimes conservative, but must they be a blooming nuisance as well. (Laughter.) Sir, I think I would now leave Mr. Ranga Iyer alone.

I will now get on to the merits of the Bill, but, before I do so, I should like to deal with an argument which was advanced by my friend, Mr. Raghubir Singh. He gave us a very original argument, namely, that these States are entitled to protection at the hands of the Government of India, because these States are the children of the Government of India:

"Farzand arjumand" "Sarkar Englishia".

These are the titles which some Rulers possess. They are the *Farzand* and *Farzand* literally means a son. I would like to remind my friend that the subjects of these rulers are children of the rulers of these States. Therefore, the children of that child of the British Government are the grandchildren of the British Government, and as such does my friend mean to convey that the children of the British Government are entitled to protection, but these wretched grandchildren are entitled to no protection

Rai Bahadur Kunwar Raghubir Singh (Agra Division: Non-Muhammadan Rural): I did not mean that.

Mr. B. R. Puri: I know you did not mean it, perhaps it did not occur to you.

Now, with regard to the speech of the Honourable the Political Secretary, it is no doubt a very clever speech. I am not going to flatter him by saying that it constitutes a "Magna Charta" for the Indian States as one Honourable Member has described it. To begin with, he has laid down a very convenient formula, I say convenient, because with that formula at his disposal, he can make any statement,—such statements would not be verifiable; there is no means of knowing how far the material stated in his speech is accurate,—I am not accusing him of having deliberately made any wrong statement,—far from that,—but in the very beginning of his speech he made it quite clear that we were bound by the practice of this House,—namely, that we cannot, bring into the arena and discuss anything relating to the administration of an Indian State. What he says amounts to this: "I am going to place certain data relating to the administration of the States before the House, but I hope I shall not be compelled to give any statistics or details regarding it, because that would necessarily lead to the disclosure of the identity of the States concerned". No doubt, it is the correct position, and I say that if one must keep in the background the identity of the States concerned, there is no other way but the one which has been followed by my friend. He then proceeds to say (after laying down this formula), that in some of these Indian States the most ideal form of Government is prevailing, that Governments existing in most states were "paternal Governments". There is more "accessibility" the rulers are more accessible to the subjects, and that, according to his picture, there are rivers of milk and honey flowing in Indian States. He says: "Please do not ask me details or the particulars about it, because, I am precluded from disclosing it". I accept that position, and will only ask in return if my Honourable friend would be prepared to show me the same courtesy, and let me have the benefit of the same formula when I state that in most of the States rank maladministration obtains, that in bulk of the States people are under a very heavy system of taxation, that in a majority of the States the administration of justice is corrupt, that in quite a large number of States forced labour is resorted to and that, in some of the States at any rate, there is actually up to the present day slavery prevailing. I am, however, willing to give up this formula if my Honourable friend would do the same. I can give him chapter and verse, names, references, passages from books, in support of what I have said. If he challenges the accuracy of my statement, I am here to prove it to him. Let him not take it as conclusive, because I am making the statement, for I am prepared to back it up by reference and by authorities.

My Honourable friend said in his speech that he would hope and trust that Honourable Members of this House, when criticising the Indian States and their administrations, would resort to "moderation". My answer to that is that there are times when moderation amounts to hypocrisy, and I submit that where there is abundant evidence in support of these diabolical practices which are prevailing in some of the States, then to ask Honourable Members to resort to "moderation" is asking something altogether too much. I maintain that misrule on the part of a Government upheld by British power is misrule by the British power itself. (Hear, hear.) It seems to me that this legislative measure has been altogether misconceived. The underlying principle of this measure appears to me a perfectly unilateral and one-sided. It shows that the Government of India, according to their lights, have got a duty only

[Mr. B. R. Puri.]

towards the rulers of the States and none towards the people and the subjects of such States. I submit that this is neither logically correct nor morally sound, and, if morality finds no place in politics, then I would say that it is politically wrong also. If you are out to suppress disturbances and offences which are the outcome of maladministration prevailing in the States, you would be but half dealing with the situation if you left alone the causes which had given rise to those disturbances or offences. It is up to you to look into the question from both sides and not confine yourself to one side of the picture only. And what is the Government case? The Government case seems to be, put in a very few words, this. That there is a lot of unwholesome activities going on in the British territory against the administration of Indian States, and that these Indian States are very convenient and useful institutions. Therefore, as a neighbourly act and as an act of reciprocity, and a piece of goodwill, we are bound to protect them, because, in converse cases, they show us the same courtesy. If, Sir, that were all, there would be very little to be said by way of comment or criticism. But I submit that that is not the whole of the case. In the first place, I take it, after the statement made by the Honourable the Home Member, that the States have not asked for this Bill. The position of the Honourable the Home Member is that the rulers of the States have not demanded this Bill, but that they would welcome it. If they have not made a demand for it, then I take it that the initiative has come from the Government of India themselves. But may I respectfully ask the Home Member whether, before the Government of India initiated this measure, if informally the Government made any effort to ascertain the views and wishes of at least some prominent heads of these States as to whether a measure of this kind would be acceptable to them or not. I would pause for a reply.

The Honourable Sir Harry Haig: The Honourable Member does not like being interrupted. So let him continue his speech.

Mr. B. R. Puri: My Honourable friend is not in a mood to disclose his cards. He is welcome to it and I am at liberty to conclude accordingly from his attitude, and if my conclusions are fair, I can justifiably ask the House to accept them. What I state is that the rulers of States have not asked for this Bill, and in the absence of any assurance from the Honourable the Home Member that they have informally expressed a desire for a measure of this kind, I am entitled to say that this is an unsolicited measure which is being imposed upon the States. But how does the Honourable Member know that States would welcome this measure; unless he is in a position to say that he has made enquiries and ascertained their wishes privately? While dealing with this point, I would submit that I have got a grievance against the Home Department of the Government for not making any effort to find out and ascertain the views of these rulers and for not placing those views before this House. Do I take it that the rulers of these States, for whose benefit all this legislation is being enacted, are too big to give us their own views as to whether they would like to have a measure of this kind or not. Is it *infra dig* for them to say that. Have they got no say in the matter. Have they nothing to contribute? Can it be said that they out of all the people in the world know nothing about this subject? Are not they the only people who are in a position to tell us as to what would be the

value or utility of a measure like this? Sir, it is like treating a patient without hearing from him the history of his trouble. If the Government of India had taken the trouble to ascertain the views of the heads of these States, we should have had today the most valuable material to work upon. We could have then known where really the shoe pinches them. They could then have explained to the House the way they stood to suffer. Their reasons and their arguments may be even more weighty than the arguments put forward by the Government of India on their behalf. Therefore, my submission is that it is not adequately dealing with the subject nor fairly with the House, to ask us to pass a measure without placing us in a position to know what are the views of the very party who is to be affected by the legislation, and that party is not the rulers alone, but their subjects as well. I submit that, in the absence of such material, I shall be entitled to say that it is a measure which has not been asked for by the States.

Let me examine here for a moment the proposition that this Bill would be welcomed by the rulers of the States. I submit that it may be welcomed by some thoughtless rulers, but those rulers who understand and recognise their real interest would have nothing to do with a measure of this kind. I maintain that the rulers of these States have come to a stage, a sort of parting of ways, when they might adopt one or the other of the two courses open to them. One course obviously is to persist in their present methods. If anybody inside the State puts his head up and asks for any reformation or improvement in the administration, put him down. If anybody outside the State brings to light the black spots in the administration, get the Government of India to put them down. What would be the result of that? The result of that would be that there would be a continuous estrangement being created between the subjects of the rulers, and I make bold to state that there is no power on earth which can prevent the progress of human thought. There may have been a time when the people submitted, due to dire ignorance, to primitive modes of Government. In the light of the progress and environments within which they are now living, there has been a certain measure of awakening, not only in British India, but also amongst the people of the Indian States, and by measures of this kind a false immunity and a temporary security is being provided for the rulers of the State to perpetuate their despotic and autocratic methods of ruling and such measures would only lead to one result. It will create a greater gulf between their subjects and rulers, and, in the lives of the people, there are occasions when finally the cup of injustice is full, when people cannot tolerate iniquities any more, and then, Sir, the bubble bursts, and what would be the consequence of that? Now, I am not suggesting for a moment that the Government have got an evil eye. I am not saying that by putting this Bill upon the Statute-book they are allowing these rulers to carry on their propaganda in a manner which would ultimately lead to very disastrous results and bring about a clash between the people and the rulers. I am not saying that they are imbued with that idea, but what I do say is that it is bound to lead to those disastrous results, and, then, if it comes to that pass, in the natural sequence of things, what would happen? The State would be swallowed up, would be annexed as the result of their own indiscreet persistence in perpetually resorting to those methods and those forms of government which are incompatible with the modern notions of a government.

[Mr. B. R. Puri.]

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Sir Abdur Rahim, one of the Panel of Chairmen.]

On the other hand, it is open to the rulers of the States to set their house in order to bring about a better understanding between themselves and their own subjects, to relieve them from the burdens of heavy taxation, to look to their economic improvement. With those ideas, there would be a real, genuine happy state of things, and I submit that this measure, which has been placed before the House, is a measure which takes into cognisance only one side of the picture, a most mischievous measure and one which is likely to lead to consequences which would be disastrous to the rulers as well as to the subjects of the Indian States. (Applause.)

Dr. F. X. DeSouza (Nominated Non-Official): Sir, this is the third piece of important legislation which the Honourable the Home Member has been piloting through this House since he assumed office. The first was the Bill to amend section 526 of the Code of Criminal Procedure for the purposes of preventing frivolous and vexatious applications for adjournment. The second was the Criminal Law Amendment Bill, intended to crush the Civil Disobedience Movement, and this is the third piece of legislation which is intended to protect the Administrations of Indian States from subversive activities. Sir, there is a school of thought in this country which regards this kind of legislation as highly repressive. It certainly does make for repression, but for repression of license and for the restoration of ordered liberty. Act XXI of 1932, which amended section 526 of the Criminal Procedure Code, has now stopped all attempts to defeat and delay justice by frivolous applications for adjournment. The Criminal Law Amendment Act has been able to crush the Civil Disobedience Movement, to crush the regime of the negation of law and to substitute in its instead the reign of law; and the present Bill, when it becomes law, will, it is hoped, enable the princes when editors will cease from troubling and princes will be at rest to set their house in order and prepare their States to become fit members of the Federation which is to come.

Sir, the main line of attack on this Bill has been that it is a serious curtailment of the liberties of the Press. But I venture to submit for the consideration of this House that there is no novel principle of criminal jurisprudence which has been introduced by this Bill; on the contrary, it attempts to bring the law in India into line with the law as it is administered in England—and nobody can for a moment say that the English law as applied to the Press is not the most liberal law which exists anywhere in the world. I say that this Bill attempts to bring the law with regard to the Press into line with the English law. Under the common law of England, the publication of malicious and scurrilous reflection upon foreign sovereigns or their representatives tending to degrade and defame such persons are indictable. The reason for this rule is stated to be by Mr. Justice Ashhurst in the case of *R. versus Lora George Gordon* decided in the year 1787 that “such libels might be supposed to have been made with the connivance of the State where they were published unless the authors were subjected to punishment. Then followed

the case in 1803—King *versus* Pellier—where Chief Justice Lord Ellenborough laid down the law. He said:

"I lay it down as law that any publication which tends to degrade, revile and defame persons in considerable situations of power and dignity in foreign countries may be taken and treated as libel."

Then, in the beginning of this century, in the case of King *versus* Antonella, Lord Justice Phillimore in 1905, said:

"Libels which bring persons into hatred and contempt may apply to persons outside the dominions of the King, because they are libels which tend to bring our peaceful relations with the States to an end,"

but he added that:

"seditious libels are such as tend to disturb the Government of this country and not to disturb the Government of a foreign country."

It may be pointed out that this element of danger always exists in this country where communalism is rampant, because an attack on a Moslem potentate will certainly be retaliated by the Hindu Press and an attack on a Hindu potentate will be taken up by the Moslem Press, and so there will be a danger to the disturbance of the peace, whoever the object of the attack may be.

The policy of the English law with regard to a foreign nation is based upon the principle of international law—the principle of the comity of nations. With regard to Indian States, my friend, the Honourable the Leader of the House, Sir Brojendra Mitter, pointed out this afternoon that the policy of this Bill was based upon the principle of neighbourliness. There is, however, one essential difference between the case of the British Government and foreign States and the case of the Government of India and the Indian States, and that is that while the Government of India are bound by treaties to protect the rulers from subversive activities, they are also bound at the same time to protect the State subjects from misgovernment. It is, in view of this latter complication in the situation with regard to the Government of India, that you, Sir, from another place earnestly pleaded for fairness of criticism on the part of the Indian Press with regard to the administration of Indian States. But I venture to submit that *Explanation 5* to clause 3, as amended by the Select Committee, furnishes ample room for fair criticism of the administration of Indian States by the Press in India. One of the features of the law as to seditious libel in England is that unlike the law as regards defamation the plea of truth and public interest is not a sufficient defence for an indictment for seditious libel. It is for this reason that I welcome the change made by the Select Committee by the addition of *Explanation 5*. By that explanation it is clear that the burden of proving that any statement of fact was made with a malicious intention and with an attempt to excite hatred lies upon the prosecution. That being so, it seems to me that the rights of the Press are sufficiently safeguarded.

Then, Sir, there was another line of attack which was directed against this Bill. It was said that it is an emergency legislation, and there is nothing to show that there is at present any emergency which requires legislation of this character. You argued, Sir, that by this Bill executive action was being substituted for judicial process, a procedure which can only be justified in the case of the existence of an emergency and you asked where was the emergency requiring such legislation? Sir, I venture

[Dr. F. X. DeSouza.]

to submit that there is an emergency and that that emergency is caused by the growth of political consciousness amongst the people not only of British India, but also amongst the people of the Indian States, and as this political consciousness has unleashed passions both in British India and in Indian States, it is necessary to curb them in the interests of law and order. In British India this awakening of political consciousness led to a movement, called the Civil Disobedience Movement, which fortunately is now no more, and, in order to meet this movement, the Criminal Law Amendment Act had to be passed. To prevent similar movements and to prevent the growth of unrest in Indian States, which, as the Honourable the Political Secretary pointed out, is being fomented by the Press in India by vilification of the rulers and by fanning into flame the communal passions and communal hatred and is rendering the administration of Indian States more and more difficult, legislation of this kind seems to be absolutely necessary. It will also be remarked that the duration of this legislation will also be co-extensive with the duration of the present form of Government, because the Criminal Law Amendment Act XXIII of 1932, which is made applicable to this piece of legislation, was originally enacted for three years and will now last for another two years, and by that time we all hope Federation will come into force and there will be no need for repressive legislation of this kind.

There is, however, one piece of drafting in this Bill to which I should like to draw the attention of the Honourable the Home Member and the framers of this Bill. By clause 3 any attempt to bring into hatred or contempt or to excite disaffection towards the administration established in Indian States is rendered punishable. We all understand what is meant by bringing into hatred or contempt. Hatred or contempt may be caused either among the subjects of Indian States or it may be caused among the British Indian subjects. But what is the disaffection aimed at; is it disaffection to be caused among the subject of British India or the subjects of Indian States? I venture to submit that it would be wrong in law to speak of causing disaffection towards administration in Indian States among the subjects of British India. Disaffection has been defined by the highest judicial authority as absence of affection and is defined in the Webster's Dictionary as alienation or want of affection or goodwill especially towards the Government or those in authority. If that is so, there is no question that the subjects of British India owe any kind of affection towards the rulers or the administrators of Indian States, and, therefore, to cause disaffection towards the rulers of Indian States among the subjects of British India seems to be a misnomer. On the other hand, if this disaffection is meant to be caused among the subjects of Indian States towards their rulers, then it puts the British Courts in a very unenviable position of being the guardian of the loyalty of foreign subjects towards their foreign rulers. This is a constitutional question which I should like to put before the framers of the Bill for such action as they may deem fit. It is purely a legal and a technical objection. There may be something in it or there may be nothing in it, but I would like to put it before the framers of the Bill for their consideration. That is all, Sir. I wish to say. With these observations, I support the Bill.

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): Sir, I have risen at this fag-end of the day to say a few words with regard to this measure. I would have kept quiet, because everything for and

against the Bill has been so ably said in the House, yet I thought it my duty to rise and say frankly what the consequences of this measure will be. I feel that this measure is not going to give happiness to the Indian States. On the other hand, it will drive the people to secret societies, to hidden actions and all sorts of things which we all deplore. The reason for this is very simple. Those who have any connection with the Indian States know it fully well by their bitter experience that the administrations of most of the Indian States are in a condition in which even a whisper of their grievances under which they are groaning is not allowed. Under such conditions, Government are going to impose from outside a measure which aims at restricting the freedom of action and freedom of speech of people who would like to redress their grievances. I am sure, this is not the right policy to be followed at the present moment. I was glad that there was a lull in the country, and everybody was thinking of more reforms and improvements in the States. But by this measure, which is nothing less than repressive in all its aspects, Government are going to create more trouble both for themselves as well as for the Indian States. I need not say more of the difficulties and the tyrannies under which the subjects of the Indian States are groaning. The Honourable Member, Mr. Glancy, has more experience of such things than I do. He knows very well how his statesmanlike examination of the situation brought about a calm in the country and he knows full well that with his departure from that State another trouble cropped up not less acute even now. I do not know what measure of relief he can give to the subjects of the Indian States of whom he has personal experience. It is for him to tell us, and I hope, Sir, that the remarks I am addressing will be listened to by Mr. Glancy, and I hope that my Honourable friend, Mr. Ranga Iyer, who I see is now talking to the Political Secretary, will allow my remarks to be heard by him. I am just making a few remarks to be listened to by Mr. Glancy. I was saying that he has got full experience of the troubles in which the subjects in the Indian States are, and, as I have just said, it was the statesmanlike dealing with the subjects of a particular State that brought about a calm in that part of the country, but no sooner he departed from that State than the subjects have fallen again into difficulties and troubles. I believe they are now in a more desperate condition than they were some years back. On the top of this, you are going to impose these repressive measures on the people who sympathise and who want to do something for the oppressed. I do not understand these *jathas* to mean anything else than a sort of warning to the people who would not listen without such a warning. My personal knowledge is that when all avenues of being constitutionally heard were exhausted, then the attempt of *jathas* was made in Kashmir and it only worked as a loud speaker. It only roused the consciousness of the authorities both in British India as well as in the Indian States. It did nothing more than that, it did not create much trouble. In the beginning, when the *jathas* were marching, if the authorities of the British Government as well as of the Indian States had taken the warning and offered to do the same which they did a little later, I think most of the mischiefs which were committed in the State would have been avoided very easily. I find now that the gentleman who had experience of this sort has been brought in this House to support the measure which, I hope, he must be fully convinced, cannot be in the interest of the large number of inhabitants of the Indian States. I hope the Honourable Mr. Glancy will indicate in his speech in reply as to what relief he suggests to these people of the States who are suffering in that way. We shall listen to that part of his

[Maulvi Muhammad Shafee Daoodi.]

speech very attentively and will be thankful to him if he gives us a suggestion that is acceptable to us. I know that the Bill will be passed, because the power of resistance of the House has come to the zero point practically, and that is all the more reason that I have risen to speak my mind on this question and tell the House and the Government what I feel on this subject. With these remarks, I oppose the motion.

Mr. Muhammad Yamin Khan: I must in the beginning congratulate the Honourable the Law Member for having clarified the great issue that this Bill is not concerned at present with the question of Paramountcy, which ambiguity in the Preamble of the Bill has led to a great deal of controversy. In his explanation he has said that this Bill refers only to the offences which are being committed in British India simply to afford a neighbourly protection to the Indian States, that the words "under the suzerainty of His Majesty" are put in simply to indicate this and that this expression has got no other significance. I do not think that after this Bill has been on the Statute-book for some time, the explanation given by the Leader of the House on behalf of Government will have any significance. We have known that the High Courts do not refer to the speeches made on the floor of the House. . . .

Mr. Amar Nath Dutt: Because the High Court Judges do not appreciate us.

Mr. Muhammad Yamin Khan: My Honourable friend ought not to interrupt frivolously, as his interruption has no meaning and it does not clarify anything. I submit that the Judges are always guided by the language of the Statute and not even by the Statement of Objects and Reasons which are appended to the Bill. Therefore, this expression "under the suzerainty of His Majesty" will, of course, be interpreted by Judges as it stands and not by the explanation given by the Law Member on the floor of the House. My submission is, I have got no grievance about this expression, and whatever may have been felt by my Honourable friend, the Raja Bahadur, I want to make it clear that there is no such thing as Paramountcy without force or that Paramountcy is only *zabardusty*. I do not know what there is otherwise in the word "Paramountcy." How do these rulers happen to rule over these people? Is it *zabardusty* or otherwise? If the British Government are Paramount, it is on account of *zabardusty*. It means that because they have got power to call themselves Paramount, they are the rulers. May I ask, how the rulers of the Indian States happen to be rulers except through their power. It is only the power to rule that determines who is to rule and who is to be ruled, and, if they are to justify themselves as rulers, they must yield to a superior power to decide their destinies or interfere in their affairs. My friend, Mr. Jadhav, said at some length and also interjected when another Honourable Member was speaking that these rulers of the Indian States had been rulers for a long time, because they were heads of particular clans. A second class of rulers are descendants of Provincial Governors who rebelled against the Central Government and became independent. And a third class of rulers is made up of the descendants of freebooters who were going about looting villages and destroying crops; but when the British came in, they entered into a treaty with these freebooters in order to keep them under control, so that their activities might be confined to a particular area

instead of spreading over the whole country. They knew that in the middle of the 18th century nobody's life and property and honour was safe from these freebooters, and, in this category, there were all kinds of people concerned, like Mahrattas, Pindaris, Rohillas, etc., who took possession of other people's property by force and coercion. When the British came in, they brought them under control by giving them property, so that they might not go about plundering the people and the country. That was done by the British as representing the East India Company who derived their power from the Mughal Emperors who were the *de jure* and *de facto* power at the time. So there can be no question that whatever treaties were entered into, and on whatever basis, those treaties hold good and must be respected, because they were properly made between the proper authorities, and they must be respected by the people who have taken the place of the East India Company and the Mughal Emperor after 1857. Now, Sir, my Honourable friend went against his own argument when, while condemning the treaties as unauthorised, he said that in 1877 after Queen Victoria became Empress and declared herself as the Suzerain Power, everybody accepted her as such. By that it was implied that they accepted the Crown to be the Suzerain Power and there can be no dispute about that. I do not want to discuss this at length, but there is no doubt that there is a Suzerain and Paramount Power which means a power which gives protection to other people. And if the British Government are responsible for stopping different States from fighting with each other and affording protection as between the bigger and the smaller States, then they must also interfere in their affairs whenever it is right and proper to do so. Without the Paramount Power, India and Indian States cannot exist. There are two sides to protection, protection of the subjects of the State and protection of the ruler. If the ruler expects to get protection from his aggressive subjects, then the subjects can also claim protection against the ruler. And it is only fair and in accordance with constitutional methods that the British Government should stand as the Paramount Power. If the British Government do not protect the rulers, then, within ten years' time, every one of these States will be wiped out. So this point about not recognising the British Government as the Paramount Power is meaningless and has no force. I agree that these words should be retained and should be understood in the sense in which they are used, and it must be declared once for all, to remove all this misunderstanding in future, that there is a Paramount Power which must exist as such.

Now, Sir, as far as the Bill goes, I am glad to find that one objectionable thing has been removed, and I congratulate the members of the Select Committee, the Law Member and the Home Member, on their modifying the Bill and taking away that objectionable portion which was that the Bill originally sought to amend the Indian Penal Code. I felt strongly that the Indian Penal Code should not be touched, and now this Bill creates a separate offence and does not seek to amend the Indian Penal Code. That is a great advance which has been made.

Then, there is another improvement, that is, giving power for reference to the High Court. There are, however, two or three things which I should like to have been cleared and I want them to be cleared by the Honourable the Home Member in his speech and explained properly.

In clause 3(a), the words occur "to bring into hatred or contempt or to excite disaffection towards the Administration established in any State in India". I do not understand the word "disaffection". To excite disaffection in whose mind? In the minds of the British Indian subjects

[Mr. Muhammad Yamin Khan.]

or in the minds of the subjects of that particular ruler? If it means the latter, it is all right. But if it means in the minds of British Indians, then I think it is unnecessary. Whatever is in the minds of British Indians does not affect the ruler or his administration and therefore, this word must have reference to the State subjects themselves, and not any one else. If an offence is to be created, it must relate to them, because this Assembly has got jurisdiction only as far as British India is concerned, and no jurisdiction to legislate for the people residing in Indian States. We cannot say that no disaffection should be created in the minds of those people, by an action done in British India. If that is the intention it ought to be made clear, because there is no analogy with the English law. My friend, Dr. DeSouza, has referred to the English law, that that law wants that disaffection may not be created by propaganda in the minds of the subjects of a friendly State against the administration, but not in the minds of the British people in England: the British people may have anything to say against the Kaiser or the Czar or their administration: that would not be an offence, but if the British public tries to create disaffection in the minds of the people in that territory, like Germany, against the Kaiser, that might become an offence. So it must be explained fully what the intention is. If necessary, I hope the Honourable the Law Member will bring some kind of amendment to make perfectly clear what the object is.

Another point which I cannot understand is in clause 4. The closing words in clause 4(1) are:

"prohibit within the area specified in the order the assembly of five or more persons in furtherance of the said purpose."

Does this assembly mean assembly in a particular spot or in different areas? An unlawful assembly, as defined in the Penal Code, means that five people may not collect at a particular place; but when you are dealing with a conspiracy to go into an Indian State, five people may not collect at a particular place: they might not be holding a meeting of more than five; but they may be conspiring together, four in one place, four in another place and four in a third place, and so on: and how can you get rid of this conspiracy when all these people, four at a time, meet at different places and march and collect together just on the outside of the British territory in the Indian State's territory and gather about 200? If the object is to stop these *jathas*, this provision is not enough, because the *jathas* will not form into a group in British Indian territory and march in a big company into the Indian State: they will go gradually and will join together inside the State territory, some from the north, some from the south, some from the east, and so on, and thus evade the provision of this Bill quite easily. If you want seriously to put a stop to conspiracies of this kind, then proper steps should be taken, so that this thing may not be evaded so easily.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

Then, clause 5(1) says:

"tends to prevent obstruction to the Administration."

I cannot understand how any one can obstruct the administration of a State when he is actually in British India. I want to obstruct the State, say in Patiala; and I am sitting in Ambala. How can I obstruct any

administration in Patiala by remaining in Ambala, unless I go within the territory of Patiala? Obstruction implies necessarily physical force: it cannot be by mere words; and physical force must be employed within the territory itself. It cannot be employed from outside, that is from British India; and the offence is to be punished within British India and not within the State. The magistrate has got no jurisdiction over that and he cannot foresee how it is going to prevent obstruction there: that must actually happen there. So this point also has to be clarified, and I hope that the Honourable Member will make it clear what is meant and how this will be stopped and what the legal consequence will be, because legislation has to be so framed as to meet all devices which the ingenuity of people who are going to commit such offences can think of. We have to see that we do not fail to foresee all the devices which may be adopted in future.

As far as I can see, this Bill is not going to give the licence to the Indian princes to go and misuse their power, and it is a greatly improved measure now. As the time is drawing close, although I had some more observations to make (*Cries of "Go on"*), I would like the debate to close today, and so I conclude, giving my support to this measure.

Some Honourable Members: The question may now be put.

Mr. President (The Honourable Sir Shammukham Chetty): The question is that the question be now put.

The Assembly divided:

AYES—55.

Abdul Aziz, Khan Bahadur Mian.
 Ahmad Nawaz Khan, Major Nawab
 Ahmed, Mr. K.
 Allah Raksh Khan Tiwana, Khan
 Bahadur Malik.
 Anklesaria, Mr. N. N.
 Bagla, Lala Rameshwar Prasad.
 Bajpai, Mr. G. S.
 Bhore, The Honourable Sir Joseph.
 Brij Kishore, Rai Bahadur Lala.
 Cox, Mr. A. R.
 Dalal, Dr. R. D.
 Darwin, Mr. J. H.
 DeSouza, Dr. F. X.
 Dillon, Mr. W.
 Dumasia, Mr. N. M.
 Ghuznavi, Mr. A. H.
 Glancy, Mr. B. J.
 Graham, Sir Lancelot.
 Grantham, Mr. S. G.
 Haig, The Honourable Sir Harry.
 Hardy, Mr. G. S.
 Hazlett, Mr. J.
 Hudson, Sir Leslie.
 Irwin, Mr. C. J.
 Ishwarsingji, Nawab Naharsingji.
 Ismail Khan, Haji Chowdhury
 Muhammad.
 James, Mr. F. E.
 Jawahar Singh, Sardar Bahadur
 Sardar Sir.

Lal Chand, Hony. Captain Rao
 Bahadur Chaudhri.
 Lindsay, Sir Darcy.
 Macmillan, Mr. A. M.
 Mitter, The Honourable Sir Brojendra.
 Morgan, Mr. G.
 Mukharji, Mr. D. N.
 Mukherjee, Rai Bahadur S. C.
 Noyce, The Honourable Sir Frank.
 Pandit, Rao Bahadur S. R.
 Raghuraj Singh, Rai Bahadur
 Kunwar.
 Rajah, Rao Bahadur M. C.
 Ramakrishna, Mr. V.
 Ranga Iyer, Mr. C. S.
 Rastogi, Mr. Badri Lal.
 Rau, Mr. P. R.
 Roy, Rai Bahadur Sukhraj.
 Sarma, Mr. G. K. S.
 Schuster, The Honourable Sir George.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan Gakhar,
 Captain.
 Singh, Kumar Gupteshwar Prasad.
 Singh, Mr. Pradyumna Prashad.
 Sloan, Mr. T.
 Talib Mehdi Khan, Nawab Major
 Malik.
 Tottenham, Mr. G. R. F.
 Varma, Mr. S. P.
 Yamin Khan, Mr. Muhammad

NOES—28.

Abdoola Haroon, Seth Haji.
 Abdur Rahim, Sir.
 Aggarwal, Mr. Jagan Nath.
 Das, Mr. B.
 Dutt, Mr. Amar Nath.
 Gour, Sir Hari Singh.
 Ismail Ali Khan, Kunwar Hajee.
 Jadhav, Mr. B. V.
 Jog, Mr. S. G.
 Joshi, Mr. N. M.
 Krishnamachariar, Raja Bahadur G.
 Mitra, Mr. S. C.
 Mudaliar, Diwan Bahadur A.
 Ramaswami.
 Murtuza Saheb Bahadur, Maulvi
 Sayyid.

Neogy, Mr. K. C.
 Parma Nand, Bhai.
 Patil, Rao Bahadur B. L.
 Puri, Mr. B. R.
 Reddi, Mr. P. G.
 Reddi, Mr. T. N. Ramakrishna.
 Sant Singh, Sardar.
 Sarda, Diwan Bahadur Harbilas.
 Shafee Daoodi, Maulvi Muhammad.
 Sitaramaraju, Mr. B.
 Thampan, Mr. K. P.
 Uppi Saheb Bahadur, Mr.
 Wilayatullah, Khan Bahadur H. M.
 Ziauddin Ahmad, Dr.

The motion was adopted.

The Honourable Sir Harry Darg: Sir, today the thunder clouds of debate have discharged their indignities and, as a prudent man, I propose, as far as possible, not to intervene between them. I shall endeavour at this late hour to confine myself strictly to what I conceive to be the merits of the debate, and, therefore, I shall not follow my Honourable friend, Sardar Sant Singh, into the discussion of whether this is one of those repressive laws that leads by natural reaction to acts of rebellion and whether the provisions we are proposing for the Press will lead to the gathering of *jathas* of editors to invade our precincts in order to protest against them. My Honourable friend, though he belongs to the legal profession, never forgets that he is also a member of a martial race. (Laughter.)

In the course of the debate, one point, which seems to me to be of very little significance, has continually been cropping up, and I have endeavoured more than once by interruptions to make the position of the Government clear. It is said that there has been no demand by the States for this Bill. Well, Sir, the position seems to me to be perfectly clear. This Bill, as we conceive it, is in part very definitely required in the interests of British India. It is not in the interests of British India that *jathas* should be organised from here, that communal feelings should be stirred up and that all those other consequences should arise with which we have been unfortunately familiar in the last two or three years. It is equally obviously to the interests of the States that such movements should not develop and be directed against their administrations. What, then, Sir, is the significance of the enquiry whether the States have or have not made certain formal demands that this legislation should be undertaken? If it could be shown that the States were opposed to this legislation, that would be a different matter, but I do not think that any Honourable Member has suggested that conclusion.

With regard to the Bill itself, in the first place, I should like to endorse what was said by my Honourable friend, Mr. Neogy, about the general spirit in which the members of the Select Committee approached their task. It was a spirit of no hostility to the States, it was a spirit of no unreason. I fully recognise that even those members of the Select Committee who did not agree with us viewed the subject in a spirit of reasonable argument and not of prejudice, and as they themselves have made clear, there are certain portions of this Bill the principle of which they accept. Therefore, I do not propose to enlarge on those portions of the Bill—the

provision dealing with conspiracies, and the provision intended to prevent the assembling of *jathas*. Objections taken by our opponents are concentrated mainly on clause 3 which restricts the powers of the Press. Those objections were put before the House very ably, and if I may say so, moderately by my Honourable friend, the Leader of the Opposition. I know from previous discussions with him that he views these questions from a different angle to that from which I view them, and I think perhaps it is natural in consideration of our different training. As one who has had mainly to do with the executive side of Government, I confess that I tend to regard prevention as being a matter of great importance.

Sardar Sant Singh: (West Punjab Sikh): Policeman's mentality.

The Honourable Sir Harry Haig: My Honourable friend, on the other hand, prefers, if I may say so, that the offence should be committed, and then he is always ready to punish it.

Sardar Sant Singh: Judicial mentality.

The Honourable Sir Harry Haig: My Honourable friend said that we

5 P.M.

were attempting to extend the powers which had been taken in British India under stress of a particular emergency—that we were seeking to extend those powers to quite different conditions, namely, the protection of Indian States. It is perfectly true that we are not resting our case for the grant of these powers on the same ground on which we rested our case for the taking of these powers in British India. If we had rested this case on the same ground as the Ordinance legislation, we should have included it in that ordinance legislation. I would ask the House to remember that, in fact, these powers were in existence as the ordinary law of the land for some 12 years from 1910 to 1922 while the old Press Act was in existence. They are not, therefore, necessarily emergency powers or powers which are only required on the occurrence of a specific emergency. They were also in force during the time of the Ordinances, but when we replaced the Ordinances by certain legislation which this House passed, we struck out from our proposals the portion relating to the States, because we recognised that the case for this legislation was different to the case for what one might call the Ordinance legislation. This does not rest on the existence of a Civil Disobedience Movement, but on different conditions, which my Honourable friend, Mr. Glancy, has explained at considerable length to the House at an earlier stage of these debates. Therefore, I do not accept it as a valid criticism of our proposals that we are introducing emergency legislation at a time when the emergency is already passing away. That, however, leads me to a point which was made—a perfectly just point—by my Honourable friend, Mr. Neogy, that we are in the form of this legislation making proposals in respect of the Press which will be of only temporary effect. That is perfectly true. That is an inevitable result of the fact that the Press Emergency Powers Act is only a temporary Act. In regard to that, some Honourable Members have suggested that the conditions may be permanent, others have suggested that in a few years' time with political conditions changing in this country such powers might not be necessary. It is not for us to try to anticipate the verdict of the future. We are content to leave the question of what is to happen when these powers expire to that time and to the Government which will be then in power.

Now, Sir, another point made by more than one Honourable Member is that clause 5 gives powers to District Magistrates which are too wide and

[Sir Harry Haig.]

which they are not really in a position intelligently to exercise. Well, Sir, I would ask the House to remember in the first place that this clause does not come into operation in a district until it has been specially extended by the Local Government. That means to say that there must be in existence a serious, a dangerous movement in which both the district and the neighbouring States are concerned. In those circumstances, it will be a strange District Magistrate who is not pretty closely acquainted with what is going on in his own district and just across the border in the State, and I do not think that he would in practice have much difficulty in forming the conclusions which we expect him to be able to form under the provisions of clause 5. It has been objected also that that clause gives a very wide power to the District Magistrate, but I would again ask the House to remember that this clause will not come into operation unless an emergency is in existence, and it may well be, and we have seen ourselves within the last few years examples in which it has been most desirable, that a District Magistrate should be able to stop the development of a movement on the borders of an Indian State, a movement the progress of which would have exceedingly serious consequences both to the peace of British India and to the peace of that State and we believe that the grant of these powers will enable us to avoid those very serious risks. It has been suggested, for instance, with reference to this clause that a general conference of Indian States people could be prohibited. I think that suggestion could only be made by those who believe that the executive act always in a most arbitrary manner and without regard to the provisions of the law. Various points of detail have been raised by different Honourable Members as to the meaning of particular words and phrases. My Honourable friend, Mr. Yamin Khan, asked us certain questions in his speech, but I would suggest that those could most conveniently be dealt with in our debates on the various clauses. I do not think I need add anything on the general merits of the Bill, and I would ask the House to support us in taking it into consideration.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to interfere with such Administrations, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): Tomorrow, as Honourable Members will remember, is a non-official Resolution day. On Saturday, what the Chair proposes to do is that the House might meet from 10 to 1 and not meet in the afternoon. The Chair thinks that will meet the convenience of the House.

Mr. Muhammad Yamin Khan: Instead of 1 o'clock I suggest it may be quarter to one. The "Maidens" is half an hour's run from here.

Mr. President (The Honourable Sir Shanmukham Chetty): At a convenient hour—approximately at one.

The Assembly then adjourned till Eleven of the Clock on Friday, the 6th April, 1984.

LEGISLATIVE ASSEMBLY.

Friday, 6th April, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

RESOLUTION *RE* COMMITTEE OF ENQUIRY ON AGRICULTURAL DISTRESS.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the following Resolution moved by Rai Bahadur Lala Brij Kishore on the 14th February, 1934:

"That this Assembly recommends to the Governor General in Council to appoint a committee of enquiry consisting of officials, experts and Members of the Assembly to enquire into the causes of the present agricultural distress and to devise means for improving the condition of landholders and peasants."

Diwan Bahadur Mudaliar had not concluded his speech on that date.

Diwan Bahadur Mudaliar.

(Diwan Bahadur Mudaliar was not in his seat.)

Mr. Bhuput Sing.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): Sir, I beg to move:

"That for the Original Resolution, the following be substituted:

'That this Assembly recommends to the Governor General in Council to appoint a small committee to enquire into the causes of the present agricultural distress and to devise means for improving the condition of landholders and peasants'."

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Honourable Member wants to substitute his Resolution for the original Resolution, but the Chair finds that it is substantially the same, and, where an amendment is substantially the same as the original Resolution, the Chair cannot allow that to be moved. The Honourable Member may make a speech if he wants on the original Resolution.

Mr. Bhuput Sing: I want to point out, Sir, why the Resolution moved by Rai Bahadur Lala Brij Kishore is not acceptable. He wants a committee consisting of officials, experts and Members of the Assembly. I want to omit that portion.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. Then the proper way would be to say "omit these words and substitute these words". That must be the proper way of doing it.

Mr. Bhuput Sing: Very well, Sir, I move:

“That in the Resolution, the following words be omitted :

‘of enquiry consisting of officials, experts and Members of the Assembly’.”

Sir, this amendment proposes to do away with the recommendation regarding the personnel of the Committee. Everyone agrees that there is agricultural distress, and everyone, including, I hope, the Treasury Benches, will agree that measures are required for relieving their distress. The Mover of the Resolution demands a certain set of persons to be on the Committee, amongst whom he mentions experts. In this particular case, I for one at least do not understand who are the men to be treated as experts for advising Government for devising means for improving the condition of the landholders and peasants.

As far as I can see, I feel that it is the Government only who can help the landholders in improving their position. As regards the peasants and agriculturists, their lot can be improved by the combined efforts of the Government and the landholders. In the circumstances, I feel and strongly feel that the responsibility of forming the Committee should be left to the Government, and we should not make any recommendation as to who should and who should not be members of such a Committee.

Sir, in moving my amendment, I was actuated by some other idea as well. Our past experience of Committees and Commissions under the present system of administration is very bitter. Findings of Committees, appointed on the recommendation of the Legislature, and containing Members of the Legislature have always been left in the dust and silence of the upper shelves of the Secretariats.

In coming to the actual distress of the agriculturists, we find that they are being crushed unto death by starvation due to their heavy indebtedness on the one hand and to their not being able to realise even the cost prices of their produce on the other. On the top of it, they are to pay their dues to Government and the landholders as well.

Now, Sir, the rural indebtedness in India has been computed to be somewhere about 900 crores of rupees according to the Banking Enquiry Committee. Since that Report, the prices of commodities have fallen abnormally, and, naturally, on the present index value of articles, the indebtedness must have at least doubled itself, if not more. On the other hand, we find that the total value of all agricultural produce in India was about one thousand and eighteen crores of rupees in 1928-29 and this fell down to five hundred and thirty-six crores in 1931-32. With the further fall in prices during the last two years, the value of the total agricultural produce must have gone far below five hundred and thirty-six crores computed in 1931-32. In spite of the report of the Banking Enquiry Committee appointed by Government themselves, what have they done to alleviate the agricultural indebtedness during the last two years that the report is with them? To crown all, during the course of these two years, Government have saddled the country with a further taxation of a good many crores. After two years we find the Government having an Economic Conference of Provincial Ministers. Whatever the findings of the Conference may be, the result remains *nil* as before. We know the condition of the Provincial Ministers as much as the Government. They have been given the charge of nation-building Departments with no funds. Whatever taxation is raised by the Provinces is exhausted in paying for the highly-paid princely officers and in maintaining law and order. Whenever the

question of agricultural distress is discussed in this House, we are told by the Finance Member that he would try to raise prices by direct action and not by means of the devaluation of the rupee which may give a temporary fillip in the rise of prices, but that will not help this country permanently.

Sir, whether direct action or indirect action, we desire to see Government to make a beginning of some action immediately by which the distress of the rural population may be alleviated. In this connection it will not be out of place to mention the name of a Professor of the University of Madras, Mr. P. I. Thomas, who, in dealing with the rural indebtedness, concluded that, as far as he could see, there were only two ways by which the question might be tackled. Firstly, by taking steps to increase the income of the ryot from his agricultural produce, and, secondly, by restricting the scope of improvident expenditure on his part. Amongst other things, the establishment of land mortgage banks is the one of immediate necessity and which this House focussed its attention on so many times whenever occasion arose. Before I conclude, I once more repeat that what is needed is not Reports of Committees and resolutions of Economic Conferences, but immediate action by Government before it is too late and before famine and starvation wipes out the Indian cultivators and with them the landholders, who are the pillars of the Indian Administration.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That in the Resolution, the following words be omitted :

'of enquiry consisting of officials, experts and Members of the Assembly'."

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, although I hold that the amended Resolution is more acceptable than the original one, still I feel that it is my duty to say something against the Resolution tabled. Here this Resolution asks for an inquiry. The inquiry is in order to devise means for improving the conditions of the landholders and peasants, taking into consideration the causes of the present agricultural distress. It is an acknowledged fact that on account of the lowering of the prices of foodgrains, the condition of the agriculturist or the cultivator has become very precarious and on that account also the condition of the landholders is equally bad and the relations between the landholders and tenants have become strained. This deplorable condition has drawn the attention of Government, and a Committee of the Members of the Executive Councils of various Provinces is at present sitting and devising means for the amelioration of the ryot, and, therefore, I think that a new Committee is not at all wanted. This Committee which is at present sitting will submit its report to the Government of India, and the Government of India are expected to take action on it. Therefore, as the purpose of this Resolution is already accomplished, I do not think the time of the House should be taken in discussing it. At the same time, I may point out that although the Government of India have called together a Committee of the Executive Councillors of the various Provinces, still the idea appears to be to form a general outline of the work and ask the different Provinces to examine their own agricultural conditions and to devise means.

India is a vast country and the land tenures are of different kinds in different Provinces. In Bengal there is the permanent settlement as well as in Bihar. In the United Provinces, there is the Talukdari system and large tracts of land are owned by Talukdars who get their lands cultivated by tenants. In the Presidency of Bombay, there is the ryotwari system and

[Mr. B. V. Jadhav.]

every individual cultivator deals directly or is dealt directly with the Crown. In this way the conditions of the tenure and the conditions of land revenue and the relations of the landlord and the tenant are different in different parts of the country. Therefore, a Committee, however small or however efficient or however big it may be dealing with the indebtedness and with the relations between the landlords and the tenants of various Provinces, is not likely to be of great use. It will be better for the various Provinces to have Committees of their own for the purpose of seeing how the relations between the landlord and the tenant can be made more amicable and at the same time how to raise the commodity prices. In this connection, I may point out that the various Provinces are represented in this House by Official Members, and their opinions and their ideas about the relationship between the landlord and the tenant in the various Provinces will be a very good contribution to the debate on this Resolution. Therefore, it will be for the Members on the Government Benches to come forward and give their opinions as to the present condition and the methods they would like to recommend in this behalf. Sir, I oppose the Resolution.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): May I ask one question before the Honourable Member sits down. Has he considered the possibility of appointing one Central Committee and associating men in each Province with it to discuss the provincial problems?

Mr. B. V. Jadhav: I do not think it will be very profitable. It is much better to leave each Province to deal with its own peculiar circumstances separately.

Mr. Gaya Prasad Singh: (Muzaffarpur *cum* Champaran: Non-Muhammadan): Then you are opposing the Resolution as well as the amendment.

Rai Bahadur Kunwar Raghbir Singh (Agra Division: Non-Muhammadan Rural): Sir, I extend my wholehearted support to the Resolution moved by Rai Bahadur Lala Brij Kishore. It is known to everybody that the condition of the agriculturist is going from bad to worse and I am glad to see in this House the interest which the Honourable Members are taking now in the betterment of the agriculturist.

Mr. N. M. Joshi (Nominated: Non-Official): Where is that?

Rai Bahadur Kunwar Raghbir Singh: Even Mr. Joshi, although he pleads the cause of labour, has not spoken much in favour of the agriculturists. Sir, even a great industrialist, I mean Sir Montagu Webb of Karachi, has written a book which is named "India's Plight: Debts doubled: Development damned". It traces its causes and suggests remedies. This Resolution also wants that a committee of inquiry should be appointed to inquire into the causes of the present agricultural distress and to devise means, and on this very point Sir Montagu Webb is very clear. He suggests in that book that it is the exchange and currency policy of Government to which steep fall in prices of commodities. Secondly, he gives figures of taxation which have been "extracted from failing agriculture and vanishing trade" and observes, "It will be noticed that although the prices of agricultural produce have fallen by over 50 per cent., Government have nevertheless extracted from agriculturists in 1931-32 only about

six per cent less land revenue than in 1923-24". He points out that in India falling prices, shrinking trade and diminishing revenues have been most incredible; it may seem, firstly, by imposition by Government of still heavier taxation and, secondly, the general degradation of the administration by means of cuts and other things. The author attributes the fall in prices to "a prolonged policy of currency restriction deliberately adopted at the close of the war by bankers of the West enforced in India and elsewhere and throughout the world and still adhered to by the financial powers of London with tragic stubbornness and almost incredible lack of world vision". Sir Montagu de P. Webb quotes figures of production to prove that the recent calamitous fall in India is due not so much to over-production in the country as to the chronic shortage of money in the hands of the people. He has urged reduction of taxation in land revenue all round which, at the present price levels, is more than agriculture can bear, and to derate the rupee.

The greatest trouble of the agriculturist is due to the fall in prices, and it has been admitted by everybody. Year before last we tried to get some duty on the import of wheat, and Sir George Rainy was pleased to accept our suggestion, and the duty on foreign wheat was levied. The prices of wheat rose, but not to a very considerable extent so as to benefit the agriculturist. The Government may point out that it is a provincial subject and it is for the Provincial Governments to look to the betterment of the conditions of the agriculturist. But, Sir, the raising of prices of agricultural produce is in the hands of the Central Government and by such action as was taken by Sir George Rainy the prices of agricultural produce can go up. Hence, it is very necessary that the Central Government should take steps to raise the prices of agricultural produce. We did something for wheat, but we have done very little for cotton and other agricultural produce. The condition throughout the country of the agriculturist is very bad and we see that in other countries steps are being taken to raise the prices of agricultural produce, and this can be the only remedy to better the condition of the agriculturist. If the steps are not taken very soon, not only the condition of agriculturists will grow from bad to worse as it is going now, but even the industrialists and other manufacturers will also suffer, because the prosperity of industry and other trades depends upon agriculture. Unless the condition of the agriculturists is improved, there is no hope of any betterment of the condition of industrialists as well as of other trades. So, in the interests of all the trades in the country, it is incumbent on Government to establish a committee of enquiry or to devise means. The causes of the bad condition of the agriculturists are well known, and it is the means which are required to meet the situation and to nip the evil in the bud. I know some of the Provincial Governments are keen on setting matters right. But more strict measures are required to better the condition of the giver of bread. There is also the amendment of my Honourable friend, Mr. Bhuput Sing, but it does not differ very much in substance from the original Resolution and hence I support the Resolution.

Nawab Naharsingji Ishwarsingji (Bombay Northern Division: Muham-madan Rural): Sir, I have got full sympathy with the Resolution moved by my Honourable friend, but at the same time I doubt whether the committee appointed by this House, as suggested in the Resolution, will serve the purpose which it is intended to do. It is a fact that the conditions of the agriculturists as well as the landlords are not so favourable in these days, but the condition in every Province differs from one another. In Bombay,

[Nawab Naharsingji Ishwarsingji.]

there are a number of tenures and the relations of the landlord and tenants in Bombay are quite different from the relations that exist between landlord and tenants in other Provinces. What I really believe is that this measure must be taken by every Provincial Government, and, after getting their reports, the Government of India may be in a position to devise measures for improving the condition of landlords and tenants in the light of the opinions received from the Provinces. In my opinion, it will serve better the interests of agriculturists and landlords rather than to have a committee appointed by this House. The subject is a very vast one, the country is very wide and the tenures may be more than hundreds, and, in my opinion, if we have a committee, as suggested in the Resolution, it cannot serve the purpose so nicely and adequately as it will be served by the committee appointed by Provincial Governments who will, in their turn, report to the Government of India, and then the Government of India may come to a conclusion as to what means should be devised to improve the condition of landlords as well as tenants. At the same time, I have full sympathy with the Mover of the Resolution.

Sir Darcy Lindsay (Bengal: European): Sir, in spite of my sympathy with the objects of the Resolution, I cannot but feel that it is out of place at the moment when Government have taken steps to appoint an Economic Enquiry Committee which is already sitting to consider these very points and all Provincial Governments are taking steps in the same direction. I, therefore, cannot see the advisability of appointing a small committee of this House to endeavour to achieve the very objects that the Provinces and the Central Government have in hand.

One Honourable Member said, the cause of the great depression in agriculture is the fall in prices, and he asked Government to take steps to raise the prices. But, to my mind, Sir, that is a very difficult proposition and almost an impossibility for the Government to achieve. The fall in prices is due largely to overproduction, largely to general world depression, and when we come in for better times, I have no doubt that the prices will rise to a level that will give the agriculturists a fair return for their labour.

Another point is that the agriculturist is oppressed by his heavy debt. That is the real cause of his trouble. He does not really earn for himself, as a very large proportion of the money that he gets for his crops goes to pay the interest on the money he has borrowed; any assistance that can be given in that direction is all to the good. It brings to my mind the efforts made by one of my own community, Sir Daniel Hamilton, who, in the Sunderbans, reclaimed land and settled cultivators thereon and he has a colony now of something like 12,000 persons. He took over, I believe, all the debts of the people, he abolished the money-lenders and he would not allow any of his tenants to borrow in the open market, otherwise they had to repay what he had advanced them and they could no longer be his tenants. He charged them a fair rate of interest half of which went towards a fund for the betterment of the people themselves in the shape of the establishment of dispensaries, schools, and so on. I understand that the colony is in a very happy position. They have this debt to their landlord which I believe they are paying off owing to the greater earnings they receive from their cultivation.

Nawab Naharsingji Ishwarsingji: Where is that colony?

Sir Darcy Lindsay: It is in the Sunderbans. If there was a spread of this movement throughout the country, it would be all for the betterment of the people, and I recommend to the Members of the House and those interested in the agriculturists to a study of the scheme inaugurated by Sir Daniel Hamilton. Sir, I regret I must oppose the Resolution.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): On a point of information. I have already spoken on the original Resolution, may I now speak on this amendment?

Mr. President (The Honourable Sir Shanmukham Chetty): If the Honourable Member catches the President's eye, he can speak.

Raja Bahadur G. Krishnamachariar: Now I have caught your eye.

Mr. President (The Honourable Sir Shanmukham Chetty): Mr. Sitaramaraju.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Sir, I rise to offer a few remarks on this Resolution. The last speaker has remarked that at the present moment there is an Economic Enquiry Committee going on and that that Committee can deal with matters of this kind. Sir, the Economic Enquiry Committee that is now sitting is purely an official body of Provincial representatives of Governments. What this Resolution wants is something more than that. It desires to associate non-official Members in an enquiry of this kind. We do not exactly know what the Economic Enquiry Committee is doing now.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands): I should just like to inform my Honourable friend that it is not an Economic Enquiry Committee, it is just a Conference to discuss economic problems.

Mr. B. Sitaramaraju: I accept the correction. The real indebtedness and the distress that is now felt throughout the country has been so great that it is not only easy for us to express our sympathy, but also give our active support for any scheme or any enquiry committee that may be asked to go into that question. Sir, we have had an unfortunate experience of inquiries. If inquiries are meant merely to shelve the question, then it is far better to have no inquiries at all. The inquiries ought to tackle this problem which we all know is very serious and of great importance. If the Government intend to tackle the problem boldly, then we welcome such an inquiry as is contemplated under this Resolution. It cannot be gainsaid that at the present moment an inquiry into a subject of this nature has become urgent and more important than anything else. Sir, in supporting this Resolution, it is not my desire to go into the question of rural distress and the amelioration of the conditions of the agricultural population at length, as I have done that on an earlier occasion while speaking on the Reserve Bank Bill. But this much I do say that there is one important factor for our consideration and that is the volume of rural indebtedness in the country. Unless any inquiry that may be held proposes to tackle that all-important problem of rural indebtedness, this inquiry will be of no use. The inquiry may tell us the causes of low prices, they may tell us the effect of the ratio and things like that, but important as they are for consideration there is another which is more important than all that, and that is rural indebtedness. At the time when the Banking Inquiry Committee held their sittings, they calculated rural indebtedness to be in the neighbourhood of 900 crores.

[Mr. B. Sitaramaraju.]

Sir, taking the Province which I have the honour to belong to, the rural indebtedness in that Province is in the neighbourhood of about 150 crores. Unless the question is boldly tackled, no useful purpose is served by inquiries of this nature.

The last speaker, Sir Darcy Lindsay, made some remarks about the steps taken by Sir Daniel Hamilton. Sir, I came to know of that gentleman during the Reserve Bank debate. His large-heartedness, his sympathy for the agricultural population I admire, and I have learnt to admire the great concern which he has been showing since the debate on the Reserve Bank for this by far the most important problem that can be tackled. I endorse all that has been said of him by the last speaker, and, today, if I rise to speak, it is with the intention of inviting the Government of India to do what Sir Daniel Hamilton has done in his own estate. To tackle this problem of rural indebtedness, I do consider that the establishment of a land mortgage bank for the specific purpose would greatly alleviate the distress. A great deal has been said in this House already on the virtues of a land mortgage bank. But the greatest service that it would ever do to this country would be to deal with this rural indebtedness as a separate question for that purpose, and I think most of the troubles from which we are now suffering in this country would dissolve. It may be done by way of constituting a land mortgage bank to solve this problem of rural indebtedness. It is true, as was said by the Honourable the Finance Member on another occasion, that the matter for consideration on a question of this nature is the security which the ryot can offer and the amount of money that he will be able to bring forth to pay the interest charged on the loan that may be advanced to him. I consider that the matter is no doubt formidable, but still if it is approached from the right direction, it will eventually be found to be easy of solution. Under the auspices of such a land mortgage bank, if conciliation boards are established in each district headquarters with revenue and judicial officers, the co-operation of the non-official bodies or persons of the locality will enable the board to have the necessary help. The Board can take up this problem and work through the net work of the revenue authorities established in this country. They can thus satisfy themselves regarding the security that the ryot will be able to give the amount of interest that he will be able to pay and the way in which and the period within which this debt could be liquidated, I think the proposition would not be so difficult for solution as some may think it is. Government can lend at a very low interest and they may also take in statutory authority for making it compulsory for the money-lenders to take the bonds of the Government for their money and the loan would thus be transferred to the land mortgage bank and the land mortgage banks would be able to control the debt and fix the period of its repayment on a graduated scale. Thus, if Rs. 100 were to represent the debt, the instalment payable would be for a period of 50 years, I think, about 4·6 or thereabouts. It would be easy for him within a period of 50 years to pay that Rs. 100 in such small parts. In that way, Government, by offering these bonds, and undertaking statutory authority, would be able, without much cash investment to take over the debts of these people and thus adopt a scheme by which this rural indebtedness of persons who can offer security, etc., within 50 or 60 years can be hoped to be liquidated. For others, who have no security, there is no help nor can they expect assistance. A small sum of money may, however, be found

necessary for the land mortgage bank to inaugurate the scheme and advance it. That may not be difficult to find. With these remarks, I would like to press Government to take this matter into very serious consideration, the question of rural indebtedness and its solution by the establishment specially of land mortgage banks.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadian Rural): Sir, reference has been made to the opportuneness or otherwise of moving this Resolution just at present. It is said that a Conference of representatives of Local Governments of all Provinces of the country is being held here, and one of the Honourable Members suggested that the question will be tackled by them and that we need not discuss it here. On the other hand, Sir, I consider that the time is very opportune for this reason that the Government of India may consult the representatives of all Provinces and chalk out their line of policy in the solution of this question. It is very rarely that representatives of all Local Governments gather at the headquarters, and, therefore, I should think that this opportunity should be availed of by the Government of India to consult these people at a Joint Conference and know the opinions of all these people and find out what they can do in the several Provinces.

The importance of agriculture has not been adequately taken into consideration by the Government of India. That is my standing grievance against them. It is said that the output of agricultural products of this country come to the value of one thousand crores of rupees every year. If 20 years' purchase is the capital money invested in these lands, it easily comes to nearly Rs. 20,000 crores. This House and the Government have been taking steps to safeguard and protect what are very minor industries when compared with this. For instance, take the textile industry: the total amount of money invested in the textile industry is only Rs. 80 crores, and the total number of people engaged in that industry is only seven lakhs, while in agriculture, as I have said, the total invested is Rs. 20,000 crores; and, so far as the number of employees is concerned, it is about 90 per cent of the entire population of this country. So there is no comparison between the agricultural industry and the textile industry. If Government can go out of their way to give protection and safeguard the interests of the textile industry, I maintain it is the duty of the Government—a duty which ought to be paramount and not to be neglected—to protect agriculture also. Then there are other industries such as the steel, sugar and paper industries: all these have been given protection: there are only a few crores of rupees invested in these industries and the number of employees in them is infinitesimally small when compared with that of the agricultural industry. Agriculture is the mainstay of the Government. It is the main source of revenue for the Government. But for agriculture and the income derived from it, the Government cannot be maintained even for a single day: the whole edifice of the administration will fall to the ground. But then what is the position of the agriculturist just at present? He is highly indebted; as my friend, Mr. Raju, has said, the total amount of agricultural indebtedness comes to nearly Rs. 900 crores, and, in these days of acute economic depression, the agriculturist gets no value for the produce he raises. The value of rice, for instance, has gone down nearly to 33 per cent of what it was formerly. There is hardly any margin left with the agriculturist after paying the Government *kist*. He does not get even one per cent on his investment. As a matter of fact, even the Government *kist* cannot be adequately paid from the proceeds of his

[Mr. K. P. Thampan.]

cultivation. The ryots have to pledge their jewels with the banks and find money for the Government *kist*. They are subsequently sold for non-payment. That has been the real state obtaining in South India—at any rate in the place where I come from, and that is the reason why so much of gold is flowing out of this country. The Honourable the Finance Member said the other day that men who have invested money in jewels find it paying to sell the gold at this high price and are investing their monies in the post offices. I maintain that it is not the savings of the people that find their way to the post office, but the salaries of Government servants and other rich people which, in the absence of safe and proper investments, go to the post office to be invested in cash certificates and savings banks. It is not the money coming from the agriculturists and the poor villagers. As regards the gold, I maintain that it is this distress gold which is responsible for such enormously large export of gold from this country. And Government are merrily allowing that to go on without taking steps to stop it. I know that the plight of agriculturists judged by their condition in Malabar is really very serious. Our agricultural products are chiefly rice and cocoanuts. Every fortnight steamers are coming into the ports of South India with thousands of tons of rice, and Government do not take any steps to stop them. Already there is no value for rice in the land and if this state of affairs continues for some time more, paddy in our place will not be sold. You must look to your own house first; and as the proverb says, charity begins at home; and if Government are worthy of their name, they should take immediate steps to stop this enormous import in order to see that the agriculturists are protected. Otherwise, they will be failing in their duty.

So far as cocoanut is concerned, it is much worse. The import duty on cocoanut, two years ago, was reduced from 25 to 20 per cent in implementing the Ottawa Pact. I was told that Ceylon has not yet given effect to the terms of the Ottawa Agreement. Therefore, I do not understand why the Government of India should treat Ceylon as an empire colony. Though Ceylon is close to our country, so long as they do not strictly adhere to the terms of the Agreement, it is not the duty of this Government to give the benefit of the Agreement to Ceylon, and, I, therefore, request the Government of India to consider whether it would not be possible to revise the terms in regard to the application of the Ottawa Agreement to Ceylon and whether the import duty on cocoanuts and other products should not be brought up to the old rate. The value of cocoanut has come down from Rs. 60 to Rs. 15. That is the position so far as these two industries are concerned. The price of other agricultural products has diminished by about 60 per cent, while, on the other hand, by means of resettlement, the land assessment is mounting up and on the other the Government by indirect taxations of several kinds make the position of the cultivator unbearable. If it were any other country, the people would have revolted. It is owing to the innate peacefulness and incapacity to revolt, which I regret, is characteristic of this country, that this present position is tolerated. The Government will bear in mind that we have got very inflammable people in Malabar. Not very long ago, they gave considerable trouble. Their representatives here may be quite useless: take it from me that it is better to profit by their advice before it is too late. They can make their voices felt. (*An Honourable Member*: "Oh! Voices!") Voice is preliminary to action by the hand.

Before I conclude, I have to make a few observations on the Rural Group that has been recently formed in this Assembly. Out of the hundred odd elected Members, excepting a few who represent urban areas and special interests, the rest all represent the rural constituencies; and there is no need to form a Rural Group. It is practically an election stunt. The elections are approaching

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair does not think that is relevant to the issue.

Mr. K. P. Thampan: Government must be cautious in paying heed to their advice or to the demands of this Rural Group.

An Honourable Member: What are the demands?

Mr. K. P. Thampan: No demands; nor any policy. Sir, there are interests and interests. There is the landholder who has invested lakhs of rupees and who is only an investor. There is another class of people who, though middlemen, find the required capital for raising the crops and serve a useful purpose, and, thirdly, there are the agriculturists who cultivate their own plot or land themselves, and, lastly, the wage earning class. Now, the interests of all these different classes of people are always conflicting, and, therefore, Government ought to be careful and see who are the real mainstay of the country. If the demands of any class are such as to enable them to exploit the agriculturists and the poor peasants, it will be a ruinous policy indeed to support them. Sir, I am a landholder myself, but I have no objection to sell away the whole of my property to the peasants if the Government will launch a policy, as was done in Ireland, by which the land will be divided into small areas and the real cultivator becomes the proprietor of the soil. The panacea for all trouble lies in that way and ought to be the final aim of the Government. Whatever policy the Government might pursue in this matter, it ought to be conceived in such a manner that the final aim should be that which I have now indicated. Sir, with these few words, I heartily support the Resolution before the House.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadian Rural): Sir, I must first of all thank my friend, Rai Bahadur Lala Brij Kishore, for having moved this Resolution in this House. It has been truly remarked by my friend from Malabar, who asks for a separate Province, . .

An Honourable Member: No, he does not ask for it.

Mr. Amar Nath Dutt: I must at least thank him for the way in which he has brought out in this debate the fact how the Government come out with protection to all sorts of industries, and, in order to give protection to capitalists and commercial magnates, Government had gone so far as to have a permanent Tariff Board with highly paid officers, to the emoluments of whom many aspire, but few succeed in getting

An Honourable Member: What about your neighbour?

Mr. Amar Nath Dutt: My neighbour is a labour leader.

[Mr. Amar Nath Dutt.]

Now, if the Government are so keen about protecting their subjects, be they rich or poor, they ought to devise means for the protection of the poorest in the land. If the income of some of these capitalists, who have invested in steel industry or cotton mills and other concerns, were reduced, say, from ten lakhs to five lakhs, I do not think they will starve, and before affording them protection and devising means to give them further protection, it was the bounden duty of the Government to see that the teeming millions, upon whose labour depends the production of food of the whole people of this country as well as of other countries and upon whose payment of the revenue depends this great administration, do not die of starvation. Sir, in a Session of nearly three months, we had devoted so many days to discussions relating to the improvement of the condition of industrialists and commercial men, but I am sorry to say that we had up till now very little discussion on this matter, save and except the Resolution brought forward by my friend, the Rai Bahadur, and also in one or two informal meetings which my friend over there was kind enough to organize. I know, Sir, his limitations also. I won't blame him, and I cannot blame him, but at the same time I do submit that it is the bounden duty of the Government, not only to make an inquiry, but also to devise means to improve the lot of the teeming millions of agriculturists. In the Government of India, there are friends who can devise means for relief for all sorts of distress. Even the distress of the sugar-cane growers did not escape the eagle eye of the Government, and they are going to regulate the price of sugar-cane. Sir, is it not possible to regulate the price of wheat and rice also? If we make a demand for it, in whose interests are we doing it? Not in our own interests, because, according to my friend, Mr. Thampan, whom I miss here now, but who himself is a big landholder,—I am not as big a landholder as my friend, I am a small landholder,—but both of us are vampires sucking the very lifeblood of the ryots

Honourable Members: No, no. (Shame, Shame.)

Mr. Amar Nath Dutt: It was an electioneering stunt on my Honourable friend's part when he said that he was prepared to give away the whole of his zamindari and mix up with the ranks of my friend, Mr. Joshi, and take to socialism as his economic creed. I was told by another landholder of his Presidency, a great Raja, that lands do not fetch any price, and so he can afford to be very benevolent now by offering to give away his zamindari. In fact, Sir, the case is the same in Bengal. I am prepared to part with my own estate for 25 per cent of its original price, but I cannot be so generous as to make a free gift as my friend over there.

Mr. K. P. Thampan: On a point of personal explanation. Sir, I had not the remotest idea of making a free gift of my lands. I did not mean that. In fact, the attitude that I took up today was taken up very nearly ten years ago when the question of giving occupancy rights to the Malabar tenants came up in the Madras Legislative Council.

Mr. Amar Nath Dutt: I am glad that he has come down to my position. He now says that he is not prepared to make a free gift of his lands. I was also not willing to make a free gift of my lands either. At any rate, it did not sound well when it came from a

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person of his position who ought to be the protector of his ryots. If he wanted to draw a picture of the class whom he had in view before us, probably he looked into the mirror and saw his own picture. He is in a happy state. I am told that in South India the tenants pledge their jewellery, while in Bengal the ryots have absolutely no jewellery, so to speak, to pawn. Those in Madras have something upon which they can live in years of distress, while those in Bengal actually go without food, one meal a day they do not even get, and with half fed children on their knees the sight is a pitiable one. I appeal to the Government, never mind the commercial magnates, never mind those industrial magnates, never mind the clients of Mr. Joshi who are industrial labourers getting an income in a month which the poor ryots in the villages do not get in the whole year, because I think Mr. Joshi's view is that every labourer ought to get at least Rs. 100 a month in order to keep up a decent living. I do not ask for that luxurious living for the poor ryots living in the villages. My Honourable friend has threatened the Government that there will be revolt and that their voices will be felt, that the Malabar people are very inflammable, and so on. All these idle threats I am not going to utter. Government know to apprise them at their true worth. We have been talking of revolts and rebellions. Is it the fault of the Government alone? The only charge that we can lay at the door of the Government is that they have not taken the same interest in the matter as they ought to have taken. But are we not in a way responsible also? Have we made that insistent demand upon the Government and informed them in a way, so that the plight of the ryots might be attended to? Today is the non-official Resolution day, and the Resolution which is discussed now is one of the most important Resolutions that have ever been discussed on the floor of this House, and the benches are empty

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadian Rural): The Official Benches are emptier still.

Mr. Amar Nath Dutt: There is the Leader of the House to attend to you and he can afford relief

The Honourable Sir Brojendra Mitter (Law Member): Let me say, Sir, that the Government Members are at the present moment busy trying to solve the very question which is being debated here.

Mr. Amar Nath Dutt: I think my Honourable friend, Dr. Ziauddin Ahmad, will be thankful to the Honourable the Leader of the House for the information which he has vouchsafed, but I submit that I am not satisfied. The Conference that is going on is a conference with men like myself and Mr. Thampan who really do not feel the same interest in the welfare of the poor ryots whose life and comfort has been entrusted to their care. That being so, I submit that it would be better if all the members of the Economic Conference were given seats in the Distinguished Visitors' Gallery or in your Gallery and they had listened to our speeches, and I think more good would have accrued then than what can be achieved there. There are people many of whom probably have no idea of village life. With due deference to the Leader of the House, I may be permitted to say that even he has little or no knowledge of village life and agriculture.

Mr. G. S. Bajpai: I do not wish to interrupt the flow of my Honourable friend's oratory, but I should like to tell him that a majority of the members of the Economic Conference are men who have served anything from 15 to 30 years with the cultivator.

Mr. Amar Nath Dutt: Ploughing lands themselves?

Mr. G. S. Bajpai: Served any time from 15 to 30 years amidst the cultivators. It is not necessary to wield the plough in order to be able to appreciate the difficulties of the ploughmen.

Mr. Amar Nath Dutt: My Honourable friend's interruption reminds me of the way in which statistics and other things are collected by the Government. The *Ma-Bap* of the district, the District Magistrate, who happens to live in the district town, is credited with a knowledge of the ryots

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member's time is up.

Mr. Amar Nath Dutt: With these words, I would like to give my full support to the Resolution which has been moved by my Honourable friend. I once more emphatically demand of the Government that they should bestow more attention on this subject than on the subject of protection of steel industry or protection of textile industry, and so forth.

Khan Bahadur Mian Abdul Aziz (Punjab): Nominated Official): The Resolution before the House contains the phrase "agricultural distress". I think that that phrase ought to be properly understood. The land continues to yield, so far as I know, practically all over the country as before. There is no diminution in the yield.

Mr. Gaya Prasad Singh: The fertility has decreased in many parts of the country, especially in Bihar.

Khan Bahadur Mian Abdul Aziz: The land continues to yield as before, the livestock continues to breed practically as before (*An Honourable Member*: "Question"). and the main difference is that the people who breed money have suddenly become barren. That is the main difference. They do not produce money at the same rate as they did before, and that is where the distress comes in. I have often asked people out in the villages what has happened, and the villager says, "My cow produces as before, my pig produces as before, but the man who produces money does not produce as before".

Mr. D. K. Lahiri Chaudhury (Bengal; Landholders): What is the solution for fruitful breeding?

Mr. S. C. Mitra: Nasik Press.

Khan Bahadur Mian Abdul Aziz: That has undoubtedly led to very great distress not only to people who carry on agriculture actually, but to people who depend upon agriculture.

A number of Honourable Members referred to the subject of taxation. I may be permitted to point out that the Province, to which I have the honour to belong, has taken measures to deal to the fullest possible extent with the situation that has arisen. For instance, the richest district in the whole of India, Lyallpur, is now being resettled, not with the object of increasing the assessment, but of decreasing it, and the decrease will be not of one, or two or ten lakhs, but it will be much more. I cannot give it, but it will really be much more. The poorest district, which lies next door to Delhi, is Gurgaon. During the last six years we have remitted there nearly 50 lakhs of rupees. We have remitted *takkavi* of over 14 lakhs which we had given in cash, on account of their distressed condition. But that is not all. In the last *kharif*, in that one district alone, on account of floods, crops were ruined, and we remitted, not suspended, seven lakhs, practically the whole of the demand.

Mr. B. V. Jadhav: There is remission and suspension, but is there any reduction in demand?

Khan Bahadur Mian Abdul Aziz: I will come to that.

I say that the whole of the demand was remitted. During the last three years since this economic crisis came, the Punjab Government have very nearly, on account of this drop in prices, remitted in water rates and land revenue over Rs. 80 lakhs. In many cases the remission was four annas in the rupee, in a number of cases it was six annas in the rupee, and everything that is possible has been done.

Mr. B. V. Jadhav: Is this remission for one year, or will it continue for a number of years?

Khan Bahadur Mian Abdul Aziz: From harvest to harvest as occasion arose remissions were given. I mention these facts merely to show that where there is real distress action is taken immediately. Not only is what is due not collected, but what has been actually advanced is not taken back and the loans that have been given are written off. This is not mentioned with any idea of taking credit for it, because it is a plain duty done simply under the requirements of the case, but there is the second part of the Resolution which interests me much more than the question of distress and that is the devising of means for improving the condition of landholders and peasants. Sir, an Honourable Member who spoke just now insisted strongly that a demand should be made upon the Government and he was right, but may I venture to say that all those who have the welfare of the village at heart demand the educated part of the community to come to the solution of this problem. The Agricultural Commission dealt with this question five years ago, and one of the complaints was that the educated people will not settle in a village. We have throughout tried our very best to get one educated man to make his home in village and to furnish a living guidance to the villager, but we cannot get the educated man. Even the teacher who earns his living there, as soon as he gets his pension, moves away. Time will not permit. Otherwise I will make a lengthy reference to that part of the Agricultural Commission's Report. I will read one sentence. The Report says about the villager:

"He lacks leadership. No one corresponding to the squire, the doctor and the parson is to be found in an Indian village. The educated man is not willing to live his life in a village except in a few rare cases where ideals of social service overcome the absence of social amenities."

Bhai Parma Nand (Ambala Division: Non-Muhammadian): Is not that the fault of the system of education, and who is responsible for that system?

Khan Bahadur Mian Abdul Aziz: People come from America to help our villagers. All honour to those angles who look after our ailing and sick. They come from Belgium, and there is a village in one of my former districts where priests from Belgium have settled and they have helped the poor and the distressed people in the Jhang district and the Hoshiarpore Tahsil.

An Honourable Member: In the Jhelum district also.

Khan Bahadur Mian Abdul Aziz: There are many other places. Our educated people are so wedded to the towns that they will not come and settle in the villages. I do not want to weary the House with other details, but I do want to mention one thing. Only a short time ago, in a neighbouring district, I happened to be presiding at a meeting where the newly appointed Commissioner of Rural Reconstruction was delivering a lecture to officers and to educated people, and I also had the opportunity to express some views on that subject. Our sole difficulty throughout was that we cannot get an educated man to settle in a village and devote his time to the villager. Even for carrying on a propaganda, such as telling the villager that his house was a death trap and that all he needed was more light and air and a proper skylight, we cannot get the educated man. We cannot get an educated man even for this simple work of telling the villagers to keep the roads clean and the cattle away from human dwellings. I am not blaming anybody. But as I am interested in the thing, I go to these villagers and tell them that their requirements are good houses and clean water. I find that there are insuperable difficulties. There are in my division at present nearly 300 villages where for three months in the year the water they drink from the ponds is more contaminated mud than water and we cannot get rich people to supply them with wells. Formerly they did. Ever since the village has ceased to be a self contained unit, the people who earn the money there spend it elsewhere. It is no longer that the village *sahucar* will build a well. It is no longer that he will build a *serai* there. It is no longer that he will build a school or a *pathshala* there. That is our trouble. We cannot get people to live there and to give guidance to these villagers. The very men who have grown fat on the income of the village will not stay in the village, but say to the villager "You are not of us".

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Is not that the result of a foreign Government's unsympathetic attitude?

Khan Bahadur Mian Abdul Aziz: I am not going into the causes. That is the fact. There is just one other thing that I want to deal with and that is this that, in so far as the representation of the villager and his interests in public life is concerned, there is great improvement, and I will only remind the House, perhaps the House is not aware of it, that in 1928 the Punjab Council passed a Bill amending the Punjab Land Revenue Act, the old Act of 1887, and in spite of Government opposition, for the official was simply gnashing his teeth, the Council carried into law an Act which

lays it down that no future Settlement Officer will ever raise in any particular circle the assessment by more than 25 per cent. As the new reforms came into effect in 1921, they compelled the Government to give it retrospective effect, with the result that we had to give back revenue to the extent of over ten lakhs.

Sir, it is easy to blame the villager. I say that our cultivator and his wife are still the best couple going. What he lacks is a little more sympathy and guidance. The poor man is strong in initiative in the village provided he has men to help him. He is really as strong and as willing to work as the rich man is poor in sympathy.

Mr. Muhammad Anwar-ul-Aziz (Chittagong Division: Muhammadan Rural): Mr. President, I thank you for giving me an opportunity of speaking on this Resolution. I have listened with a great amount of interest to what is going on all round in all parts of the House. Without vouching for the correctness of the figures which have been collected by my friends, Mr. Raju and Mr. Thampan, I should like to say this much, that the issues involved in this Resolution of Lala Brij Kishore will have to be varied very materially according to the geographical position of the various Provinces in this big country. The conditions which will be necessary to alleviate the distress of the cultivator in Eastern Bengal will not, in my judgment, be applicable to relieve the distress of the frontier Pathan on the North-West Frontier Province. That being the case, this is certainly a very vexed question, and it will, therefore, be very difficult, even for the expert Members of this Assembly, to suggest any suitable means by which the object of this Resolution could be achieved. There is certainly a very great amount of force in the arguments put forward by Mr. Raju and Mr. Thampan when they say that Government, justly or unjustly, have been very much solicitous with regard to the amelioration of the condition of the industrialists as a whole and they have been very particular with regard to giving succour to certain industries which are trying to come out in the field. I have no grouse on that score with anybody, least of all with the Government of India, for, if the Government of India feel that the sugar industry has got to be protected, protect it by all means, but why should they not lend their generous ears to that part of the population who have been giving a very large amount of money to their coffers? I join issue very strongly with my Honourable friend, Mr. Thampan, when he says—"why should they not find out or devise some means by which the prices of agricultural produce, like jute, paddy or rice, could be raised? That is a very pertinent question to raise, but my personal impression—without prejudice to what my esteemed friend, the Secretary of the Department of Education, Health and Lands, has said, namely, that the Provinces have been sending representatives who have experience of a very large number of years, representing these interests in these Economic Conferences, as such there will be the solution,—but nothing tangible can be confidently anticipated from these conferences, judging from past experience. Sir, we know who are these so-called representatives. With regard to these gentlemen who have taken so much trouble to come up here, well, my impression is that the Government—and I make bold to say this most emphatically—will not be in a position to decide on anything as a result of their conversations here—because, my impression is this, that a particular Member might be holding a certain portfolio at a certain place, but

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that does not necessarily connote that he will be in a position to come to the help of the Government of India in the Department of my Honourable friend, Sir Fazl-i-Husain, in respect of the many resolutions on economic problems which have been put on their agenda.

Mr. President, there is certainly a very great deal of force in the theory that prices of paddy, of jute and of rice should be raised by certain means to a certain level; of course it would be rather difficult for anybody, least of all for me, to suggest off-hand what would be the best solution, but when Government are in a position to carry on such a huge costly administrative machinery, I should expect them, as I pay a large amount of revenue to their coffers, to come to our aid when we are in need of their help so badly. Sir, it would not be sufficient for the Government to say that they have been brooding over these things and perhaps some day something better might be achieved and then they will give us some succour, but that is no consolation to me.

Some friends have also suggested—why not explore the method of starting land mortgage banks, why not start this and why not start that? When, however, everything is said and done, my impression as the representative of a big rural constituency in Bengal is that the root trouble lies perhaps in what has been described by my Honourable and esteemed friend, Mr. Abdul Aziz, an experienced official of the Punjab Government. I know personally it is a fact that it is perhaps not always possible for Zamindars, big Zamindars even, to have a country house, but if they have some sort of connection with the village or the zamindari where they come from, if the big landholders that he had in view had a larger sympathy so as to impel them to come to the rescue of the peasants and cultivators, perhaps that would be of some use, but my impression is that unless and until the angle of vision is changed, unless and until you have some sort of tangible educational policy, unless and until you have some sort of benevolent policy, I am afraid no amount of legislation and no amount of committees constituted will serve the purpose. My most humble suggestion to the Government of India would be this. Try to have a liberal and a bold educational policy. Perhaps the Government's answer will be that, "well, we have given the Provinces a free hand and they have their own way of looking into things". My humble submission for the consideration of the Government of India would be that this transferring of the educational portfolio in the Provinces has not perhaps been a happy one, fruitful of any tangible results. Of course, Government are the best judge of everything, they know everything in their wisdom, but my impression is that these educational portfolios in the Provinces are really handled by amateurs, if I may say so, who have not been able to show any tangible achievement. I am not naming anybody. That being so, I ask how the villagers, the people living in the remote villages who can only come in contact with the *maktabs*, and *pathshalas* can have the advantage of education spread amongst them, drive their superstition and evil customs? You have distant towns, the so-called Provincial Councils, and you have an Educational Minister, an Education Secretary, Inspectors of Schools and all that paraphernalia, and my humble impression is that all this is more or less mere red tape and they never care for the real education and culture of the people living in the villages.

One instance, Mr. President, will suffice to show how the Government are solicitous to bring in the succour of education to the peasantry living in the villages. In my Province of Bengal, we had some sort of a law

passed by the Provincial Council for the introduction of rural primary education, but what was actually achieved? They have got nice rooms for the Department in Writers' Buildings in Calcutta, and if the Education Minister of that Province was solicitous for doing something for the rural population, he should have had the courage to fight with his colleague, the Revenue Member or the Finance Member, and see really whether they were in a position to give some money for the purposes of that Bill.

I think there is a great deal of force in what my friend, Mr. Thampan, said that if things are allowed to continue and not looked into in time, the apathy will work as a canker and the Government of India will not know before the whole body politic was eaten away leaving only the skeleton and they will then not know what to do. Sir, it was very pertinently suggested if this rural population had the advantage of mortgaging their assets with some legally-constituted bodies, just like land mortgage Banks or co-operative banks, perhaps they might escape the tyranny of having to pay extortionate rates of interest to the *sahucar*. Of course, I know from my experience in Bengal that you have got a law which was passed there recently for the fixing of the interest rates payable by these rural people, and, if my information is correct, the rate is fixed at between twelve to fifteen per cent. Well, that is also on the Statute-book. If the Government were so solicitous and if the clauses of the particular Bill were given effect to, they would have certainly done some good to the peasantry to alleviate their distress. But we are living here in the distant Delhi, and perhaps the Government of India feel that their responsibility in these matters is not so much as that of Provincial Governments. My suggestion to the Government of India, therefore, would be that if these materials are ready, and if they are given a proper effect to and are likely to benefit the cultivator, why not just switch your light in that particular direction and give them the benefit of that experience. Mr. President, I am a very humble student of these figures myself, and I do not know how far I can vouch for their correctness, but the condition of the peasantry is anything but deplorable. The figures given by Mr. Raju and Mr. Thampan indicate a dreadful state of things. If it is a fact that the rural indebtedness has gone up to the tune of 8,000 crores, it is most shocking, and I am certain, the particular Department concerned will be well advised to enlighten us on the matter, because we are so much interested in ameliorating the condition of our poor brethren who are living in that condition of life in the villages. I think Mr. Raju also suggested that this rural indebtedness is also the result of internecine trouble of the parties themselves, and he has suggested a sort of a Conciliation Board. But I do not know how far this Conciliation Board will be able to serve the purpose he has in view. My own impression is that if you have a first class land mortgage bank and if you give effect to certain facilities given by law to the rural co-operative societies to lend money on easy terms and if you have an enactment that the money-lenders will not exact the rates of interest beyond a certain percentage and if all these things are given effect to gradually, I am certain that the whole purpose underlying the Resolution of my friend, Rai Bahadur Lala Brij Kishore, will surely be attained. With these words, Sir, I support the Resolution. The Government of India must continue to take a paternal interest in these matters, and thereby they will win over the whole of the rural population to their side which is the sore need of the day.

Mr. Sitakanta Mahapatra (Orissa Division: Non-Muhammadan): Sir, I wholeheartedly support the Resolution moved by my Honourable friend, the Vice-President of the Rural Group. This is a most opportune move at the right moment. The plight to which the nation at large and particularly the agriculturists have been reduced during the last few years is too pitiable for words. It is only the innate passivity of the Indian people and the utter isolation from the life of the people in which supreme governmental authorities live and shape their policies that have prevented the mobilisation of social sympathy in support of the great national interest. To the extent to which the agriculturist consumes his own produce and pays for others, services and goods in kind, the fall in prices has not adversely affected his lot. The extent of payments in kind is, however, very narrow and even in areas, where cultivation is principally for subsistence, a considerable portion has every year to be marketed for the purchase of services and commodities, as also for the payment of such fixed dues as interest, taxes and loan. In the case of the growers of commercial crops, for example, cotton, sugar-cane, oilseed and jute, the fall in prices has hit the producers with special severity. In many parts of the country, rents are fixed in money and the leases are executed for a number of years at a time. In these places, the tenants find it impossible to meet the demands of the landlord. Unfortunately for us, in our parts, rents were fixed only in 1927-28 when the prices of produces were at their highest, and so our part of the country is the worst sufferer. Arrears, indebtedness and privations are the inevitable outcome of such a situation which is extremely embarrassing both to the tenants and the land-owners. It is well known that the rates of interest are exceptionally high in India and that their level is determined by the customs of the trade and the position of the borrowers. With reduced prices, not only does the cultivator find it difficult to meet his old interests and instalment obligations but any new borrowing is well-nigh impossible except at ruinous rates. The co-operative banks which have their dealings with cultivator members have latterly experienced almost insuperable difficulties in making recoveries. Indeed, there are not a few co-operators who almost fear the worst in many areas. The Government demand for land revenue is theoretically based on averages of prices over a prolonged period and the land revenue Codes do not ordinarily allow suspensions and remissions on account of a fall in prices. We know how very wooden is the system of administration in India. It is extremely difficult to secure for the people even such concessions as have been provided for by law. It would be hoping for a miracle to expect that the Government would run to the rescue of the landholders in an emergency not falling strictly within normal official operations. In fact, in spite of the loud and heart-rending protests from the land-holding classes, the collections of land revenue have been effected with the usual rigour in almost all parts of the country. Any one, who has the slightest acquaintance with the country areas, knows full well that while the Government caravan proudly passes by as though nothing has happened out of the ordinary, the farmers, the land owners, the *Mahajan* and the co-operative societies are on the brink of an utter collapse. The standard of life in rural areas was never very high, the present conditions constitute a degradation which is beyond parallel. Sir, in his Budget speech, the Honourable the Finance Member said as follows:

"Landlords have not pressed for their full rents. India's ancient money-lending system has proved elastic and generally speaking demands for repayment of debts have not been passed. As a result, the great mass of agriculturists have had enough to eat and a sufficient margin in cash not only to pay taxes at the reduced level but also to maintain at a fairly reasonable level their purchases of necessities."

Sir, I am afraid his assumption was based on information received from tenth hand sources. It is said, the British administration is a choukidari Government. It is the choukidar who reports conditions in villages at the police station, the thana officer in his turn reports to the S. D. O., the S. D. O. to the Collector, and, so on and so forth, the information imparted by the choukidar is taken as a Gospel truth by the Supreme Government.

Raja Bahadur G. Krishnamachariar: And the Secretary of State.

Mr. Sitakanta Mahapatra: And the Secretary of State, as the Leader of the Rural Group points out. But let me tell you here that the choukidar received his information from his wife. But India is such a vast country that a Finance Member has got to collect his information in this way. But I may inform the Honourable the Finance Member that at least in my part of the country the conditions are exactly opposite to what he stated. Sir, land revenue and agriculture are both provincial subjects, and agriculture is transferred and Government may utilise this fact to shelve the Resolution. But it is the Government of India's financial and commercial policy which is responsible for the plight of the agriculturists. The ratio policy of the Government has undermined the purchasing power of the people, and their protection policy has raised the prices of necessities to such an extent that they cannot afford to purchase their vital needs.

A word for the Rural Group to which I have the honour to belong. We are almost all representatives of rural areas, but the object of the formation of the Group was that most of us played in the hands of commercialists as if paid by them—thus undermining the interest of our constituents, and this was the reason why the Rural Group was formed.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): I wish just to ask whether it will be possible today to take up the Resolution relating to Malabar, for, otherwise, I can do some useful work in regard to arranging the tables and chairs for lunch.

Mr. President (The Honourable Sir Shanmukham Chetty): I am afraid I cannot help the Honourable Member. It is for the House to decide whether they will close the debate. They have got all the Resolutions on the agenda paper, and it is for the House to decide about the relative importance of the various Resolutions.

The Assembly then adjourned for Lunch till Two of the Clock.

The Assembly re-assembled after Lunch at Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. N. M. Joshi: Sir, there is a notion in the minds of some people here that I do not show sufficient interest in the agricultural masses of this country and that I devote greater attention to the condition of the industrial workers. This is quite a wrong notion. I feel a deep interest in the welfare of the agricultural classes both on personal and other grounds. I have lived in a village the whole of my childhood, and until I was 15

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years old I had not seen a bigger place than with a population of 3,000. I have taken part in the co-operative movement in my Province; I have taken part on more than three or four occasions in doing famine relief work. Moreover, Sir, I am convinced that any one who wants to improve the condition of the industrial workers in this country must necessarily study the condition in Indian villages. The two, in my humble judgment, are very closely connected. I, therefore, make bold on this occasion to make a few remarks on the subject which is under discussion.

Sir, the present distress which is seen in the agricultural areas of the country is partly due to temporary causes such as the world depression, and partly due,—and if I may say so, mainly due,—to causes which are more or less permanent in the Indian situation. As regards the temporary causes of the present distress, I made certain suggestions when I spoke on my Resolution concerning unemployment relief. I suggested that the Government of India should undertake a bold programme for public works and industrial development. I feel that that programme will be very useful in improving the condition of the agricultural classes. Reference has been made to the low prices for agricultural goods that at present prevail. These prices cannot rise unless those classes of people who are to purchase agricultural goods have sufficient money in their pockets. The first thing necessary to be done, therefore, is to develop our industries and to start public works, so that the workers of this country will have sufficient money to purchase agricultural goods. Sir, if we are to consider the several factors which create a sort of permanent distress in Indian villages, I would give the first place to our system of land tenure. In India, in ancient times, the land belonged to the village and not to the individuals in the village. The land was communally held and not individually held. Later on, developments took place

The Honourable Sir Brojendra Mitter: Is not that the case in all primitive societies? In all primitive societies, when the village is the unit of society, everything belongs to the village.

Mr. N. M. Joshi: That is quite possible; I am not suggesting that India's case is quite special in that respect, but the fact remains that the land did not belong to the individuals. The land belonged to the village, and, later on, private rights of property in land were created. I think, Sir, that was the greatest mistake that we made. Later on, these rights in private property were amalgamated in the hands of a small number of people. Lands belonging to the small cultivators passed to the money-lenders or to the bigger landlords on account of the uncontrolled system of money-lending and usurious practices. Sir, I feel that this growth of money-lenders and big landlords has caused a great part of the distress that we see in Indian villages. People hold land who have no real interest in cultivation. If, therefore, we want to improve the condition of the agricultural classes in this country, let us take steps to see that the land is held by only those people who are willing to cultivate the land with their own hands. They alone have great interest in improving the land and making the best of the land which they hold. Sir, it is not that the Government of India and the Provincial Governments in our country have not recognised the evil of the land passing into the hands of a few landlords. They discovered that evil, and some Governments in this country have taken some steps to prevent or restrict land passing into the hands of people who have no real interest in the cultivation of the land. In the Punjab,

they passed legislation restricting the passing away of land into the hands of money-lenders: in Bombay, we have similar legislation; in the United Provinces, there is similar legislation. Unfortunately, although the Government saw the evil, the remedies which they took were not bold enough: they tried to restrict the possession of lands in the hands of what they considered to be the agricultural classes. But they did not insist that the land should pass into the hands of only those who would cultivate the land with their own hands. They thought there were certain classes which were agricultural classes, although no member of the family of those agricultural classes may have held a plough in their hands for generations. It was that mistake which some of the Provincial Governments made with the result that although they made efforts to see that the land of the poor cultivators should not pass into the hands of money-lenders and big landlords, on account of which the land did pass into the hands of money-lenders and the bigger landlords. The only result was that instead of the land being taken away by any money-lender or any big landlord, the land passed into the hands of landlords and money-lenders belonging to what are called the agricultural classes, although, really speaking, they were not agricultural classes. I, therefore, feel that although the intention of the Government was a good one and the steps they took were not wrong ones, yet they did not achieve the results required, because they were not sufficiently bold ones. I would, therefore, suggest to the Government of India and the Provincial Governments to take bold steps to define an agriculturist as one who has been cultivating land with his own hands and who is willing to cultivate the land with his own hands, and see that the land is held only by that class of people and by no other. I feel that this is the real remedy, and the Government of India should adopt this remedy.

I do not wish to go into the details of the evils of the present system of landlordism. They are well known. It is only for us to keep our eyes open to see what they are. In India, even today, people have to cultivate their land from generation to generation at the will of the landlord. The Governments have passed legislation to give some kind of security to tenants, but still there is a very large class of tenants who are mere tenants at will and they have no security. Not only there is a very large class of men who are mere tenants at will, but there are classes of people even today who are tied to their fields as if they were slaves: when land is sold, these people, who are tied to the land, are, as it were, sold: they pass to the new landlord.

Mr. B. Das (Orissa Division: Non-Muhammadan): That is in Madras only.

Mr. N. M. Joshi: My Honourable friend, Mr. B. Das, says that that is in Madras. I can assure him that in his own Province of Bihar and Orissa, there are practices which are not very different from this practice. Even today in Madras, at least in some districts, a landlord, who has got the land to which some field workers are attached, can lease the services of these field workers to others as if they were his slaves. So long as these practices exist in our country, what is the use of asking the Government to appoint committees to go into the question of improving the conditions of the agricultural classes? We all know that these evils exist. What is required is courage in us, courage in the Government to take bold steps and to see that these evils are removed. If once we take steps to see that those people who are real agriculturists possess the land, then certainly it is, for them with the help of modern science and modern principles to

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develop the land and better their conditions. If once people have the land, by their own co-operation they can find means and they will be in a much better position to find means to develop their land, to improve agriculture. If it is necessary for them to purchase modern ploughs and appliances, if it is necessary for them to market their goods to their greatest advantage, I am sure they will resort to the principle of co-operation; they will have co-operative agriculture, they will have co-operative marketing of their goods, and they will have co-operative credit as they are having even today. I feel that after the distribution of land what we should try to teach our agriculturists and help them in, is to start co-operative movement both for production and sale and also for credit. If they do that, the need for taking loans for agricultural purposes to a great extent will be minimised, and, as regards the loans themselves, I would suggest that the Government of India and the Provincial Governments should take immediate steps to see that every practice of usury is discontinued immediately. If the agriculturists require loans, these loans should be given to them by the Government. I am not suggesting that Government do not give loans to agriculturists: in several Provinces, perhaps in most Provinces

Mr. President (The Honourable Sir Shammukham Chetty): The Honourable Member's time is up.

Mr. N. M. Joshi: I shall not speak much longer. Several Governments have passed laws permitting them to give loans to the agriculturists. What is necessary is that the Government should resort to these loans to a much larger extent and remove the need of the agriculturists taking any loans from private people. I shall not speak at greater length, but I shall make one more observation on a small point, and it is this: during the discussion, I have found people speaking in such a way that they hold that there is a conflict between agriculture and manufacturing industries. I feel that there is absolutely no conflict between agriculture and manufacturing industries. Both these industries are complementary to each other. It is, therefore, wrong for people, who call themselves belonging to the Rural Group, to talk as if they are not interested in the development of manufacturing industries. It is equally wrong for people, who are interested in the manufacturing industries, to talk as if it is not to their interest that agriculture should be developed. I, therefore, hope that our Government as well as the Legislature will take equal interest in the development of manufacturing as well as agricultural industries. Sir, I have done.

Mr. J. H. Darwin (United Provinces: Nominated Official): I get up with great diffidence, because I am a tyro in speaking, but I venture to do so for three reasons. The first is that the Honourable Member, Mr. Jadhav, I think it was, who asked that Official Members should speak on this Resolution and say something about the conditions which prevail in villages. The second reason is that I have about 25 years experience of camping in villages during the winter, and so I can claim, to some extent, to be acquainted with the problems that exist at this moment. The third reason is that the Resolution contains, it seems to me, a sort of reflection on the Government of India and the Local Governments,—the

insinuation that the Local Governments have been sitting during the last two or three years with their hands folded and have ventured to do nothing to relieve the agricultural distress that prevails.

When this Resolution was originally brought up about a month ago, the Honourable the Mover said that Government should now tell us frankly whether they do want to help the poor classes of the country. It is that insinuation that I should like to repel. There was another Honourable Member, I think it was Raja Bahadur Krishnamachariar, who, in speaking of the problem, said that we should not tackle it with preconceived notions, it should not be complicated by considerations of world depression and all that this means. But I submit that we cannot rid ourselves of reasons that do exist, and when they really do exist, they are not the less valid for that, and indeed they might be the governing factors. Now, although I entirely sympathise with the spirit of the Resolution, I think it is nearly as much an executive as an administrative problem. Before we lay down rules or regulations or before we introduce new laws, we must see what the executive are able to do and how far they can shoulder the burden of any new legislation. Dealing with the problem only from above is like having to treat a patient with a broken leg and deciding we would not treat it locally by setting it and putting it into splints; but we would give the patient medicine. Well, that may be quite useful for relieving the patient of his fever, but it will not heal the fracture. The overhead system of treatment is of little good just by itself. The problem is one, I think, which concerns the Local Governments more especially, and that has been recognised, because an Economic Conference has just been formed to which the Ministers of Local Governments have been invited. The element that has so far not entered very much into our discussion is the nature of the problem, and I should like to dwell for a moment or two on that.

It is the nature of the problem which presents the greatest difficulties. There is, first of all, the poverty, the ignorance and the credulousness of the agriculturist classes. A lot about this has been written in the report of the Agricultural Commission and in Economic reports. No one can fail to be impressed with the squalor of the peasant houses, the want of sanitation, the absence of comfort and the few alleviations of a monotonous and laborious existence. No doubt education and more rapid means of communication have done something to improve their condition in the last few years, but this element still remains to a large extent. I was reading lately that most interesting work of Sleeman called "Rambles and Recollections", and I was much impressed by a story which he told of a visit which he paid to Muttra or its neighbourhood. He found that the cultivation there was in a very bad condition and he went to the villagers, sat amongst them and asked them what the reasons were. They told him that the reason was that there was such a lot of perjury and false swearing going on in the Courts which had been recently established by the British that this had removed from them the favour of God. They were only partially convinced when he tried to point out to them that the real reasons were much rather, the larger pressure on the soil after the Pindari incursions had been repressed and that the people took no trouble about the rotation of crops and that they never left their fields fallow. In fact the idea which the villager seemed to entertain about the Englishmen of that time was—it was somewhere in 1830—"that they came, they swore and they conquered". It is to be hoped that they do not have that

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opinion nowadays, but indeed a lot of credulousness still remains, and it is for that reason that it is very difficult to introduce innovations. The second reason is the conservative nature of the rural population. They have got a very limited outlook and what was good enough for their fathers they think is good enough for them: they resist all change and they still often retain the habits of a thousand years ago. There is a Latin saying with which many Honourable Members of the House will probably be acquainted. "You may turn out nature with a pitchfork, but it will always return".

The third reason is the heavy load of agricultural debt which is mostly inherited. In the United Provinces, it has been estimated to come to about 150 crores. One cannot get very far until that is relieved. The state of affairs has been aggravated during the last four or five years particularly by bad harvests. There has been unusually heavy drought, there have been locust pests and there has been very bitter frost. Then, we have to consider what methods exist for combating these conditions. Raja Bahadur Krishnamachariar suggested on the last occasion that he wanted a respectable number of persons associated with the enquiry. I do not know whether he meant by that that officials should be excluded, but I do not think it is possible to do without officials. They alone are the people who have the influence by which they can get the villagers to accept innovations. What we want is propaganda, more propaganda and more propaganda: and if we admit this, we have got to realise what the magnitude of the task is. In the United Provinces, there are 1,11,000 villages with an agricultural population of over 44 millions. On whom can we rely to introduce this propaganda? The *patwari* is no use. It is much better to keep the *patwari* to his own legitimate duties. Apart from *patwaris*, we have teachers, but, according to the recent census, I find that for every 1,500 of the population, there is only one teacher. He may often be just an assistant, and he will not be able to go very far; so that, we must have outside helpers before we can go forward, and I heartily endorse in this connection the remarks which the Honourable Member, Mr. Abdul Aziz, made this morning before lunch in which he called for the assistance of non-official workers. They seem to me to be extremely necessary, and, at present, from my own experience, I can say that they are not very much ready to come forward. In fact we cannot even get Doctors to stay in the villages even when we give them subsidies. The Government have done a great deal in the last three years in spite of what the House seems to think. I should like to give a few details as to what has been done by the U. P. Government. I am afraid it must be a very bald narration on account of the want of time. The most important is the system of correlating rents and revenue to prices, in other words the system, by which, when prices fall, rents will be decreased, and when prices rise again, the rents will be increased. That it is in very brief words. The system has been in force for the last two or three years, and I can say from my own experience that it has been of the utmost value, and since its introduction I have found it simpler and easier to collect the revenues of the Government. In fact, it has been possible to collect them with the issue of very few coercive processes. For relieving the load of debt we must provide cheap credit. There has been a committee sitting, I think, for about 1½ years in the U. P. to deal with this difficult question and to explore the avenues by which it

can be solved. Members from the U. P. will know that there have been Agricultural Relief Bills passed which permit the Court to reopen transactions, fix instalments when passing decrees, limit periods of possessing mortgages and curtail the rates of interest. Every debtor is to receive a document of his own debt and to secure annual accounts about his loans. Many other proposals have been made by the Committee and I have no doubt they will be considered in due course of time. They made it clear that various measures were needed to provide more credit, because the co-operative societies were not able to take the place entirely of rural money-lenders. It has been proposed that arbitration tribunals should be formed in regard to loan transactions, that advances should be made by Government on a system of equated instalments for long terms and that there should be a regular debt redemption scheme. Another proposal that has been made is that there should be a scheme of compulsory saving for tenants on the lines of insurance policies.

There are many other proposals on which I need not detain the House, but I am sure they will get due consideration. This is not a case like one in which there was once trouble in a village and I deputed an official to make an enquiry. I asked the Deputy Inspector, who was the official concerned, to go to the village and see what the trouble was and try to settle it. He went to the village and two days afterwards I received a report which ended something like this. "Sir, with God's help and by your kindness I have settled the matter and cracked this Gordian nut". It is not a nut to crack, nor is it a knot to cut; it is a problem which can only be unravelled by a careful survey of the state of local conditions and by the application of remedies in various directions. There are many facets to the problem. One of the most difficult of all is the provision of sufficient staff. This, in my opinion, is a matter which can be tackled better by Local Governments than by the Government of India, though the direction of the Government of India would undoubtedly be most valuable.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadian Rural): The Honourable the Finance Member, while introducing his Budget, stated that the chief duty of the Government is the maintenance of the financial stability of the country and to create conditions favourable for private enterprise. That is what we would expect from a Finance Member. But, Sir, if there was also a Member for Agriculture on the Treasury Benches, he would have stated that the primary function of any Government will be the removal of indebtedness of the agricultural population and the provision of facilities for the marketing of his products and getting better prices for the agricultural produce and in every way improving the lot of the agriculturists. But, Sir, as at present constituted, we have no Member for Agriculture . . .

Mr. G. S. Bajpai: There is a Member for Agriculture although he carries other burdens also.

Mr. T. N. Ramakrishna Reddi: He is not in this House.

Sir, in India we have been accustomed so much to depend upon the help of Government that the agriculturist has lost his initiative, and so it is the duty of the Government to come forward with schemes for ameliorating the condition of the agriculturist and improving his lot. Now, Sir, when there is cheap money in the country, that is, when any amount of money

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can be got at lower rates of interest, it is the duty of the Government to launch upon a programme of public works like irrigation, road making, etc., and to distribute the money that has been locked up in the Banks and individuals to improve the purchasing power of the rural population. Sir, reference has already been made in this House regarding the heavy indebtedness that is hanging over the heads of the agriculturists. It is estimated that the total indebtedness of the agriculturists is in the neighbourhood of 800 crores.

An Honourable Member: It was 900 crores some years ago, and it must be 1,500 crores now.

Mr. T. N. Ramakrishna Reddi: At that time, they based their figure on the results of the Banking Enquiry Committee which made its report about 1928 or 1929. We find from the U. P. Debt Enquiry Committee that it is only about seven per cent. of long term loans and 25 per cent. of short term loans that are discharged by the debtors in that Province. What exists in the U. P., we may take as a normal phenomenon existing all over the country. If that be the case, the indebtedness which existed in the year 1928 at Rs. 900 crores would have nearly doubled itself by this year, and that is only agricultural indebtedness, apart from urban indebtedness which also goes up to a very high figure. But we are concerned only with agriculturists at the present time. The Government, I am sorry to say, have not taken necessary steps to remove this appalling state of indebtedness. This indebtedness hangs very heavily on the rural population. It curbs the initiative and spirit of enterprise of the agricultural debtor and hence it indirectly has its effect upon the agricultural production of the country. Side by side with this appalling state of indebtedness, we find that the value of agricultural produce has gone down considerably. It is estimated that in the year 1929-30 the value of the total agricultural products in this country was about Rs. 1,000 crores. But in the year 1932-33, it has come to nearly 563 crores of rupees. Thus it has fallen by nearly 50 per cent. and there is any amount of scope for the improvement of the lot of agriculturists. Several Provinces have been taking some steps to remove this indebtedness. We have just heard from the previous speaker the steps that have been taken in the United Provinces. Some steps in the way of debt conciliation boards have been taken in the Central Provinces. I find that in the State of Bhavnagar, the debt conciliation board has been working very satisfactorily and the total indebtedness of that State has been reduced by one-fourth. So it is incumbent on any Government to straightaway start debt conciliation boards in each and every Province and examine each and every debt and try to reduce the debt if it has risen on account of unconscionable rates of interest. Then, it is not enough to reduce the indebtedness of the ryots. The Government should also take steps to see that the agriculturist does not again fall into the hands of his creditors and the Government should create facilities for easy credit and at the same time the credit must be made self-liquidating. This the Government may do through the agency of co-operative societies that exist in this country and also through the land mortgage banks. No doubt the Co-operative Act has been working for some years, and societies do exist, but the societies have so far failed in the discharge of the work that has been expected of them. That is due to various causes. One chief reason is that they are purely lending societies. They do not take any interest to see how that credit is spent by the debtors. The co-operative

societies must be so improved as to make them function also as agricultural societies. They must combine the function of both agriculture and co-operation, and every loan that is given from that society must be only for agricultural purposes, and the society should look to its utilisation, and that society should also take upon itself the marketing of the product and get better prices for the produce of those debtors. Some such improvement must be made in the working of these co-operative societies. They should only advance short term loans and it is only through the land mortgage banks that long term loans should be given. Government should give every help for the development of these land mortgage banks in every important place in India. There is something more which the Government ought to do to help the lot of the agriculturist. It is a notorious fact that the Indian agriculturist is very conservative and his habits and methods of cultivation are still the same as existed from time immemorial and there has not been much development in the way of agriculture. The world is moving rapidly towards scientific agriculture. Scientific research is the life blood of the economic development of a country and the other countries have forged ahead of India. In India also, we have been taking some interest of late in the advancement of scientific agriculture and we have established the Imperial Council of Agricultural Research. But beyond passing some grants for the research institution, we take very little interest afterwards and generally we do know very little of the activities of that institution.

The other day, we gave protection to the sugar industry. We have given nearly 200 per cent. protection. In spite of that, (Java has been dumping till recently her sugar in Indian markets over this high tariff wall. It is due to the fact that Java is able to produce sugar at nearly one-third or one-fourth of the cost of production in this country. Again, we are being threatened with importation of rice from Siam and Japan. My Honourable friend has not yet taken any steps so far to relieve this distressing situation. It is also due to the fact that they have been able to produce nearly double or treble the quantity of rice which the Indian agriculturist produces with his present methods of cultivation, and hence much improvement has still to be made in the methods of agriculture. India is said to be a great agricultural country, and it is a great exporter of raw products and it has got certain monopolies of production. But what do we find now? We find that there are various competitors in foreign countries to our Indian products and there are also synthetic substitutes for what we till now considered the monopoly products of India such as jute and myrabolams. We are gradually losing foreign markets. India was a great exporter of ground nuts, but we find that South Africa, America and other countries also are exporting ground nuts in larger quantities. Though it is said that the Indian ground nut has got a better oily quality, yet it has not found a very good market and its exports have been dwindling down. It is due to bad sorting and marketing and the Government have left it to the enterprise of the exporters and have not taken up seriously the question of better marketing and better sorting of these products. Then, it is also the duty of the Government to take steps to see that the prices of the products rise. They can do so by various legislative enactments. At present we find the spectacle of an export duty on rice from India in spite of the fact that foreign rice is being dumped into this country. We can have an export duty only on commodities which command a monopoly, but we have got various competitors now. Countries which were absorbing Indian rice till now have been sending rice to this country, and, in spite of this, the export duty has been still maintained. Sir, the Government ought, as a first step, to remove this export duty and create better facilities for the

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export of Indian products. Then, there is the question of the freight rates. The freight rates are larger for the transporting of rice from one place to another place within the country than they are for the imports from Java to the Indian ports, and the Government should see that equitable freight rates are maintained. For all these reasons, Sir, I have great pleasure in supporting the Resolution before the House.

Hony. Captain Rao Bahadur Chaudhri Lal Chand (Nominated Non-Official): Sir, the object underlying this Resolution is a laudable one, and one could draw a graphic picture of the present condition of the agriculturist. But as my views on this subject are very well known to the House, I do not make any attempt to repeat them today. I will only refer to a remark so aptly made by Mr. Darling late Registrar of Co-operative Societies in the Punjab, and now a Commissioner of that Province. He says: "The agriculturist is born in debt, he lives in debt, and he dies in debt". Sir, I do not think I can improve upon that description and this view has been supported by the Royal Commission on Agriculture that has produced a very voluminous report. But I must admit that the Government have not been negligent of the welfare of the agriculturist so far at any rate as the Punjab peasant is concerned. We are grateful to Government for having at any rate attended to his needs ever since the last century.

It was in 1901 that the Punjab Land Alienation Act was passed, and that Act was passed after a very searching inquiry into the condition of the agriculturist. But this is an Act which has given offence to certain classes over which my friend, Bhai Parma Nand, fretted for about half an hour the other day, and I would ask him and others of his way of thinking that while the land that has been saved to us by this Act, is there, what about the produce? Ever since the passing of the Act, the land has no doubt been saved to the agriculturist and we are thankful to Government for that, but what about the produce of that land? Sir, the produce has all along been going into the hands of the money-lenders, and so we are, as it were, labourers for the money-lenders fixed upon a particular piece of land. (Hear, hear.) (Laughter.)

During the last four or five years that the depression has lasted, as was pointed out so lucidly and ably by my Honourable friend, Khan Bahadur Abdul Aziz, the Punjab Government have been trying to ameliorate the condition of the agriculturist. Huge remissions, in *abiana*, land revenue and *takavi* have been given, and, in one district alone, as was pointed out by the Honourable Member, no less than fifty lakhs have been remitted during the last four years. But although we are grateful to the Government for what they have done for us, I may point out that although the money has gone from their pockets, it has not come to us. This remission has, Sir, been practically wasted. The Agricultural Commission, so far back as 1928, held that the agriculturists were heavily in debt and that most of the debt was irrecoverable, so, at the time these remissions were so liberally made, we had more than one creditor. Government was one creditor, and they could attach our property for the arrears of land revenue or *takavi* and there were other creditors who held in their hands decrees from Civil Courts. So, under those circumstances, what did the Government do? Realising the helplessness of the poor agriculturist, they remitted their dues, and withdrew from the field of creditors and thus ceased to be creditors, but what do we gain? Sir, they only released our property to be utilised, to be attached and sold in execution of decrees in

favour of other parties. The Gurgaon district is not far off, it is only about eight or nine miles from this hall and any Honourable Member could go and see the condition of the villagers even after this remission of fifty lakhs of which my friend, Mian Abdul Aziz, was so much proud. Of course we are grateful for this to Government, but I am afraid the Government follow the line of least resistance and has not taken the fact into consideration that by this remission they were only helping the money-lender in providing him facilities to attach our property. Then, besides that, we had a very bad flood and the Government of India gave liberal grants, but owing to indebtedness, our condition has not improved. It is going down from day to day. The other day, I was having a talk on the subject with Mr. Brayne, the Rural Uplift or Reconstruction Commissioner in the Punjab, who has studied this question so thoroughly. He said that formerly people used to say:

*Uttam Kheti, Maddham ban,
Nikhad Chakri, bhik nadan.*

This means that "among the professions, agriculture came first, next came business, the third was the place given to Government servants, and last came begging", but he told me that this ought to be revised and we should read it like this:

*Uttam chakri, Maddham ban,
Nikhad kheti, bhik nadan.*

That is, "Government servants come first, business second, third comes agriculture, and then comes begging". So the plight of the
3 P. M. agriculturist has moved an officer of Mr. Brayne's standing, and he also thinks that the agriculturists are in a very bad condition.

Then, again, Khan Bahadur Mian Abdul Aziz drew attention to the fact that the educated Indians were chiefly to blame as they were not settling in the villages and there was a move from villages to towns. As I myself can be accused of that charge, I owe an explanation for this move. Sir, the explanation is this that although 90 per cent of the population live in villages, yet, in the matter of spending money for amenities, Government have been spending only ten per cent in villages and 90 per cent in towns. I will give one concrete example to illustrate my point. There is a Sanitary Board in every province. At any rate, there is one in the Punjab, I do not know about other Provinces. It provides water facilities in towns. The Rohtak town got 75 per cent. of the expenditure on waterworks from Government through that Sanitary Board. We have got a school which is just outside the municipal limits—only two miles from there—which is in the rural areas. It is a full-fledged residential High School with four or five hundred boys in it and we asked that waterworks be extended to us also. The reply was that the Sanitary Board could not give us a grant, because we were not living in a town. The result was that although within two miles there is good water available on which 75 per cent of the money has been spent by Government, yet we do not get it. The Honourable Khan Bahadur Mian Abdul Aziz knows all this, and I hope he will bear me out. So, as up to this time they have been giving everything to the towns and not to the villages, naturally educated people begin to move into towns. It is up to Government now to spend 90 per cent of their money, according to the population or taxation basis, on the villages and only ten per cent on the towns,

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and then you will see how the tide is turned and all of us will go back to the villages. This tendency is apparent in every walk of life. For instance, there are about 11 very good colleges in Lahore. After having all those colleges, there was no need for a Government College in that area, yet they are spending huge sums on a Government College at Lahore although in the whole of the south-east of the Punjab, in the whole of the Ambala Division, there is not one college and they will not provide one. They can say that Lahore is an educational centre and the Government College should be located in the principal centre for education. But why should the Veterinary College be also located there? That ought to be in the Hissar district which is the home of cattle. There has been a tendency on the part of the Government to spend money on towns, and, therefore, there is this move. The Honourable Khan Bahadur Mian Abdul Aziz very rightly quoted from the opinion of the Agricultural Commission in support of his argument. I wish he had quoted other things which the Agricultural Commission recommended and to which Government have not up to this time paid any attention to our knowledge. Take, for instance, paragraph 364, from which, with your permission, Sir, I will read only a small portion:

"The importance of the co-operative movement is accentuated by the comparative failure of legislative measures designed to deal with the problem of indebtedness to achieve their objects. We received evidence in Burma that the provisions of the Civil Procedure Code exempting the cattle, implements and produce of agriculturists from sale may be ignored by the courts. We have mentioned that the Kamianti Agreements Act in Bihar and Orissa has proved ineffective. The provisions of the Deccan Agriculturists' Relief Act are being evaded and the Usurious Loans Act is practically a dead letter in every province in India."

After having read this, it was up to the Government of India to substitute effective Acts for all these dead letters.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must conclude soon.

Hony. Captain Rao Bahadur Chaudhri Lal Chand: I will draw attention only to those provisions of the law which are there and which are being ignored by Courts. Section 60 of the Civil Procedure Code lays down certain exemptions. I will not read them here. They are well known to all Honourable Members, whereby implements of agriculture, seed, grain and cattle houses and the cattle are exempt from attachment in execution of decrees. As I have been practising in mufassil Courts, I find that all these articles, every one of them, have been attached and are being attached by Courts and section 60 is being ignored. Then, there was section 61 of the Civil Procedure Code. At the time when this Code was enacted, this Legislature left it to the Provincial Governments to frame rules for the exemption of produce for the maintenance of the family of the agriculturist up to the next harvest. But up to this time no Government, except perhaps the United Provinces, have framed any rules under this section, and, therefore, it remains a dead letter.

Then, Sir, further on, the Agricultural Commission recommended that irrecoverable debts should be wiped out. It is perfectly reasonable that irrecoverable debts should not be persisted in, and any instalment, that might be fixed for that debt, will only perpetuate it. Therefore, they

recommended the passing of simple Insolvency Laws. From paragraph 364 to paragraph 367, they have gone at length on this point and they have come to the conclusion that simple insolvency laws may be considered by Provincial Governments. But except the Bombay Government, so far as I know, no Government have taken any action on these lines. So, I submit that the Government of India have got enough material to go upon, and, therefore, they can proceed on that material. The object of the Resolution is a laudable one, but the time for Committees and for Commissions is gone. People are in a very bad plight. The time for action has come and no useful purpose will be served by any Committee. We do not want to add another volume to the Library for academical discussion. Therefore, I hope the Honourable the Mover will withdraw his Resolution.

Nawab Major Malik Talib Mehdi Khan (North Punjab: Muhammadan): Sir, the problem of agricultural distress is one the seriousness of which, I may be permitted to say, has not been fully realised. It is of vital importance to nearly 80 per cent of the population of India.

[At this stage, Mr. President (The Honourable Sir Shammukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

Its seriousness was first brought to notice by the Banking Inquiry Committee which estimated that the agricultural debt of India amounted to nearly ten crores. This calculation was arrived at four or five years ago, and it would not be wide of the mark if we add another three or four crores to it, that is to say, it has amounted to 14 or 15 crores. There is no doubt that the Provincial Governments have done everything possible to solve this problem, but, whenever the necessary measures were brought before the Legislature, they were met with such opposition on the part of the money-lenders that the Government which are always afraid of the press agitation had them greatly whittled down, and when they eventually emerged from the Committee stage, they lost half their value. Therefore, it is not wrong to say that most of them were half-hearted measures, and their actual working proved beyond doubt that they were so. We have got the Usury Laws in vogue in various Provinces, Regulation of Money-Lenders' Accounts and other such Acts, but they are all practically a dead letter. Recently the Hindus held meetings in Khanewal (District Multan) and other places to oppose the new agriculturist debt law put up by the Punjab Government; and it is clear from the Resolutions passed there that one section of the public which represents the money-lenders would not like that the poor debtor should have breathing time or that he may be able to get rid of some of his debts. At the same time, we are very grateful to the Government for so kindly remitting lakhs and lakhs of rupees at the time of each harvest when they find that the people are not in a position to pay their dues. Government also advance lakhs of rupees by way of *takavi* loans to the ryots; they not only advance these loans, but they also make huge remissions whenever there is necessity for it, as was just now pointed by Mian Abdul Aziz, the Commissioner of the Ambala Division. But we have to see what our friends, the money-lenders, have done to lighten the burden of the ryots. I would advise the future Superintendents of Census to add a column to their statements to show the number of persons who lived in villages, accumulated wealth there, built palatial buildings and then went

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away to towns to carry on their enormous business by the funds which they brought with them from the villages. It will show that most of the persons who are now living in towns and running factories originally belonged to the villages, and it was there that they collected funds by which they are now carrying on their lucrative business in the towns. I would advise the *sahucars* and the Government as well that it is time that they realise the gravity of the problem.

Sir, with the life of the zamindar is bound the stability of the Government and the existence of the *sahucars*; in his death lies the death, at any rate, of the *sahucars* and immense increase in the anxiety of the Government. We are all in one boat, and if it flounders, it must carry down with it all that it contains. The zamindar has reached a point which is so aptly portrayed in a Persian proverb which says:

"Chu abaz sar guzast; che neza wa che balisht.";

which means that once the water goes over one's head, it does not matter whether it assumes the height of a spear or a lance. I wish my friends who lend money to the zamindars realised their position, which is that the former's prosperity is tied up with the welfare of the latter.

My friend, Mr. Joshi, has tried to inculcate his ideas of socialism. He advocated his principles on a former occasion also, and I was able to refute them. Human nature being what it is, no distribution by the people can change the condition of things. It is admitted on all hands that the welfare of the landlord lies in the welfare of his tenant. I know the landlord of the Punjab advances money to the tenant, gives him animals, ploughing tackle and other implements without charging any interest, and recovers it in kind, whenever the tenant is in a position to pay it. Thus, it is evident that the relation of the landlord and the tenant is satisfactory.

My next point is that the village has been brought to such a condition that no improvements can be effected in it easily. It has got no means of communication, no medical relief; it wants sanitation, and is in need of education. Major-General Megaw, who was Director-General of the Indian Medical Service, made a statement the other day, which was reproduced in most of the Indian papers that fifty per cent of the people were below par in their health. It is really a very serious problem, and we ought to see what are the causes of it. If a man has a sword always hanging over his head like the sword of Damocles, he will always feel depressed, as the zamindar, who has no means of removing his burden, and every day gets deeper and deeper into the debt. He is unable to raise his head. He is denied the necessities of life, which a civilized person requires and this accounts for the deterioration of his health. I look to my friends on this side, who are all enjoying the best of advantages in towns and big places, to bestow some attention on this problem, because it was the hard labour of the poor villager which provided means to my friends to thrive in towns.

Many Commissions have been held and measures adopted, most of which were devoted to the industrial development of the country and the improvement of the conditions of industrial labour. I do not know what is the definition of labour. Personally I would say that a labourer is one who works with his own hands to gain his livelihood. If it is correct, then I

do not understand why a differentiation should be made between an agricultural labourer and an industrial labourer. For the former they are making provisions for saving them from indebtedness, providing them with good houses, medical relief, education for their children and all sorts of amenities of life. They are given only a fixed number of hours to work in the factories. Unlike his fortunate brother, the zamindar must get up at three or four in the morning and work till midnight, there are no fixed hours for him, no one cares about his food or where he lives and whether his sons are properly educated. There is no water supply for him and he has got a very small share of what are called the necessaries of life. He deserves something to be done to ameliorate his lot. The Provincial Governments, I must admit, are doing it, but their resources are after all limited, and they cannot go as far as the case requires. Consequently, the first thing that we have got to do is to find out all the causes which contribute to the distress or indebtedness of the zamindars. I do not mind what machinery is applied but I must say that a huge Royal Commission is not needed, because the country cannot afford it. If there is to be a Committee, it must be a small committee consisting of those officers who have worked in districts assisted by one or two zamindars from each Province. They might go about and find out the causes which have brought about this condition of affairs.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhamadan): Do you realise what will be the size of the Committee as you suggest?

Nawab Major Malik Talib Mehdi Khan: They can have co-opted members. If they go to Bihar, my friend, Mr. Maswood Ahmad, will be one of them, and if they come to the Punjab, I will have the honour of going with them. And when they have found out the cause, they can also suggest means for ameliorating it. With these words, I support the Resolution.

Mr. Uppi Saheb Bahadur (West Coast and Nilgiris: Muhammadan): Sir, this Resolution is of very great importance, it is of first rate importance to us, because ours is a country of agriculturists and the prosperity of the country mainly depends on the prosperity of the agriculturists. For the last two years or so a depression has come upon the country which is perhaps unprecedented in history. People have been voicing forth the situation in those parts of the country from where they hail. I hail from a very remote part of India, and in that part of the country, I read in a local newspaper day before yesterday, the collection of rent is going on and the collection of taxes and assessment is going on. As the people are unable to pay the demands, the landholders and cultivators are running away and hiding from the village officers. Their properties are being attached and sold. There is nobody to defend them, they are not able to pay up the remaining one *list* of the assessment. They have sold all their property within the last few months to pay up each instalment, so much so, for the last instalment they are not able to find means to pay the demand of the Government officials. It is even said that crops are standing in the fields. The village officers are attaching them and also attaching household property, and that is the situation there.

We have been crying in this House and outside asking Government to look towards Malabar and save us from the dire distress that is facing us. You can imagine, Sir, the situation of a country which is mainly

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agricultural and depends mainly upon cocoanuts as its mainstay when the price which was ranging between 40 and 50 till 1929 has come down to 12 and 15. The price of pepper which is another source of income in Malabar has fallen from 600 to 120 and 130. That is the position. At the same time, the Provincial Government are going on increasing the taxes. In the last 1½ years, people have been crying to stop the resettlement for the time being, but the Government are going on merrily taxing the people. You will see how inhuman the Provincial Government were when you hear how they collect the new taxes and survey charges. The lands were surveyed behind the back of the people who did not know what the Government were doing. They went to survey after a year or so. Last year, they came forward with a demand at the rate of 10, 11 and 12 annas per acre. The people could not pay and they appealed to relent, but the Government did not yield for a moment. They attached and sold property, attached standing crops, without even allowing time to the people to collect their dues. That is the kind of feeling which the Government have for the people. The Government could have allowed one or two years for the people to pay up small dues.

Sir, within the last one or two years, the Government of India have imposed on the people new taxes up to a tune of 45 crores, and 80 per cent of this money has to come from the pockets of the agriculturists. At the same time, what have the Government done to improve the economic condition of the agriculturist? So far as I know, they passed an Act for stopping the import of foreign wheat into India. People have been crying to reduce the cost of freights for rice between various parts of India. Government have been giving assurances from time to time, but so far they have done nothing to accede to this demand. The people from Malabar have been crying that a foreign competitor has come into the field and captured the Indian market in the matter of cocoanuts, the main agricultural produce of Malabar. It is the Government that have been responsible for allowing this foreign raw material to come into this country. The Government of Ceylon took adequate measures to protect their agriculturists. Is it not the duty of our Government also to see that our agriculturists are protected? Is it not in the interests of this Government to see that the raw material produced in this country is used in this country before they allow foreign materials to come in and compete with our interests? They imposed some sort of import duty before. But it was not so much in the interests of India, if I may say so, as in the interests of somebody else. The European and foreign markets wanted cheap cocoanuts and they found that Ceylon was a large cocconut producing country. But so far as India is concerned, Indian cocconut had a market in India itself, and the foreigners had to compete with Indian market. In order to have Ceylon cocconut and copra for themselves, they persuaded this Government to impose an import duty on the Ceylon produce. The Government did that and helped them. Now, the foreign countries do not want Ceylon copra; or, if they buy, it is in very small, infinitesimally small quantities. When the Government of India found that the foreign markets did not want any more Ceylon copra, they removed the export duty—I do not say that they entirely removed it, but reduced the value to a minimum—from Rs. 23 to Rs. 10 or Rs. 9. From last year, we have been asking the Government to give us some protection by not allowing foreign goods to come in, but the only result of our cries and representations was that the Government of India in January last reduced it again by

one rupee. The result is that owing to the lowering of the import duty, they are underselling us now. It is impossible for us to compete with the foreign cocoanuts. We have been helping the people of Northern India and of the Punjab in the matter of wheat: we have been paying for it, in fact, in the shape of the higher import duty. It is, therefore, right that they should be generous to us also and purchase only the Indian product. One of the arguments put forward is that Ceylon purchases our rice. But Ceylon lately has been purchasing cheaper rice from Siam and other places. They have not actually refused to buy Indian rice, but they have been purchasing cheaper stuff from other countries. You cannot stop that; they also say that Ceylon is a big purchaser of our cotton goods. Compare the value of cotton goods purchased by Malabar and by Ceylon. Ceylon purchases about 23 lakhs rupees worth, but Malabar and Travancore purchase about 136 lakhs rupees worth of cotton goods. If Ceylon does not purchase our cotton goods, we in Malabar guarantee that we will purchase that 23 lakhs worth of goods if you will help us to keep out Ceylon coconuts. Instead of purchasing Japanese goods, we will purchase Bombay goods. If the Government have imposed this extra taxation to the tune of Rs. 45 crores shutting their eyes to the dire economic distress in the country, throughout its length and breadth, I do not know what is going to happen. With these words, I support the Resolution.

Rao Bahadur B. L. Patil (Bombay Southern Division: Non-Muhammadan Rural): Sir, it seems that the agriculturist is on the brains of many Honourable Members. Certainly that is a very good sign for the country. But I think the reason seems to be that the growing poverty of the agriculturist has affected every pocket. It has affected the revenue of the Government; therefore, the Government are in a mood to say a few sympathetic words; it has affected the pockets of the lawyers; it has affected the income of the business men; perhaps in my humble opinion that is the reason why everybody has opened his eyes and feels for the agriculturist.

Coming to the Resolution, I should like to remark that the debate for these two days has been almost of a rambling character. It would have been better had some Honourable Members put forth certain grievances and concrete proposals as coming forth from the non-official Benches, and Government would have been in a much better position to pay their attention to them. However, as far as I can see, coming from rural parts of my Presidency, I should like to place before the Honourable House and also before the Government some important matters to which they can pay, I should say, practical attention. Many things have been said on the floor of the House in the course of the debate and I think it will be very difficult for Government to pay due attention to all of them. Probably they will give a suitable reply and do nothing more.

We can divide the question of the agriculturist into three divisions: the first is, what can we do for his better living? I can suggest two things: the most important thing for his better living is, his drinking water. He does not get potable water in many places.

The second one is medical aid. I do not want to suggest to Government that medical aid should be taken to the house of every peasant. What I suggest is this. We know that in this country lakhs of people suffer from malaria and that every year it takes a toll of thousands of human lives in every Province. It is the primary duty of the Government, therefore, to combat this dreadful disease which generally affects the rural parts.

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Then, the next thing regarding the agriculturist, in my humble opinion, is with regard to his profession. I should like to make two concrete suggestions. Government ought to pay more attention to provide the agriculturist with better and selected varieties of seeds. From my own personal experience in my Province, I venture to say, Sir, that it is very difficult for the agriculturist to obtain the right type of seeds, like sugar cane, cotton, potatoes, and so on.

Then, I think marketing facilities ought to be provided. That has been already dealt with and I do not wish to dwell on that aspect of the question at length.

The third question which I should like to discuss is about his finances, and here I can suggest two things. The first thing to be done is that land mortgage banks should be established throughout the country and the indebtedness of the agriculturist should be reduced in the first instance. The second suggestion is that, instead of paying more attention to the credit side of the co-operative movement, we should pay greater attention to the non-credit side of the co-operative movement.

Then, Sir, with regard to the legislation that can be undertaken on behalf of the agriculturists, I would place two things in the forefront. It is high time for Government to take up some legislation to check usurious loans. Secondly, it is also high time for Government to undertake some legislation with regard to tenancies.

Then, Sir, there is also another thing to which I should like to draw the attention of the Government, and that is the system of giving suspensions and remissions in the Provinces. I can only say that the present system is imperfect and it calls for a speedy and radical revision.

Sir, without taking any more time of the House, I commend my suggestions to the Government.

Mr. Gaya Prasad Singh: Sir, the subject matter of this Resolution has been threshed out so thoroughly that I feel I shall not be justified in taking more than two or three minutes of the time of this House. I should like to refer to one or two observations which were made by the Honourable the Official Member from the Punjab, Mr. Abdul Aziz. If I remember aright, he said that the fertility of the lands was the same as it was some time back. This is a very disputable point in my opinion. As Honourable Members know, bones of animals are great fertilisers for the fields, and it is a fact that thousands and thousands of tons of bones, either crushed or otherwise, are being exported from India every year. This results in impairing to a very great extent the fertility of the soil. This is a point which, if the Committee which is suggested in this Resolution is appointed, can go into.

There is another point. In ancient times we used to have a lot of trees and forests in and around the villages. That afforded the much needed moisture to the fields, and that was also an element which tended to increase the fertility of the land. Now, with the pressure on agricultural land, with the increase in population, de-forestation has been going on at a rapid pace, and that also, in my humble view, has contributed to a large extent in impairing the fertility of the soil. By the mere efflux of time, the fertility of the soil has a tendency of getting deteriorated, but with these additional elements, I think the fertility of the soil is bound to deteriorate more rapidly. As Honourable

Members who come from rural areas know that land in these days does not yield the same amount of grain which it used to in olden days, and it is with a view to improving the produce that improved methods of cultivation have been adopted and agricultural institutions have also been started in several places to impart agricultural education to the people, like those at Coimbatore, Pusa and other places. This is a point which has to be carefully looked into,—I mean whether the fertility of the soil is the same as it was before, or it has deteriorated, which, I think, is the case.

Then, my friend went on to point out that the number of cattle is the same as it was some years ago. I do not know if I have been able to catch my friend correctly, but that is also a point in dispute. Thousands and thousands of cattle are being slaughtered, and the hides and skins are being taken out and exported from this country, with the result that cattle, which is the wealth of an agricultural country, is deteriorating both in point of number as well as quality, though the institutions which are run by the Government and also private enterprise are trying to do what they can to improve the breed and quality of the cattle in this country.

Then, Sir, mention was also made of the prices of agricultural commodities. With the world wide depression and other causes, the prices of agricultural commodities have declined very considerably, and it is in the interests of the agriculturists that the prices of commodities should rise and that the people should get a fair value for the produce of their lands. At present it is the experience of the agriculturists that the money which is spent in raising a crop cannot be recovered from the sale of the produce of the land, because the prices of produce have gone down so considerably, and with it the purchasing power of the people.

Then, Sir, the question of agricultural indebtedness is also a very important point for consideration. The deep and the deepening poverty of the people of India has been referred to by various writers and speakers from the time of the Indian National Congress, from the time of William Digby and others, and I do not know if any effective steps have so far been taken by Government to tackle this most important agricultural problem.

Land revenue is being realised without any consideration to the capacity of the people to pay it. I will mention the case of my own Province of Bihar which has recently suffered so terribly from the earthquake. The most serious problem in Bihar at present is the vast amount of sand that has been deposited as a result of the earthquake, from the bowels of the earth. This is not an easy or even an ephemeral phase of the question. I had been to my place only the other day; and I saw with my own eyes thousands and thousands of acres of land under sand. It is very difficult for the agriculturists to clear the sands and to make the lands as fertile as they were before. My Honourable friend, Mr. B. Das, who has got very implicit faith in Government communiqués whispers that the Government communiqué says that the lands can be reclaimed. I do not say that the lands cannot be reclaimed, but those of us who come from my own Province know how difficult it is to reclaim these lands unaided by Government. It may be quite easy for my Honourable friend, Mr. B. Das,

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living at a safe distance to speak in that tone, but those of us who realise the seriousness of the situation know how difficult it is to tackle this problem successfully.

Mr. M. Maswood Ahmad: The Government communiqués say that 90 per cent is all right.

Mr. Gaya Prasad Singh: I do not know whether my Honourable friends have got implicit faith in all the communiqués issued by the Government. But I, coming from my Province, say that if the Government of Bihar say that 90 per cent of the lands can be easily brought under cultivation, I shall welcome that idea, but I have my own doubts about it. The Government of Bihar and Orissa, I am afraid, have not been as generous as they ought to have been in understanding and tackling the serious situation that has arisen in my Province as a result of the earthquake. However, Sir, this is a point which I need not labour; it is a point which has got special reference to my own Province.

Mr. Jadhav, if I remember aright, in the course of his speech referred to the different systems of land tenures and land settlements prevailing in the different parts of the country. For instance, he referred to the permanent settlement in Bengal, Bihar and Orissa, and the ryotwari tenure obtaining in Bombay and other Presidencies, and so on, and it was probably on that account that he opposed the formation of a central committee to go into this question. As has been suggested by some speakers, a central committee might be appointed with power to co-opt members of various Provinces when they go and tour in their respective territories. But, frankly speaking, I doubt as to whether the present is quite the opportune time for the establishment of a committee like this, and my doubt is strengthened by the fact that in the Resolution the committee is proposed to consist of officials, experts and Members of the Assembly. As we all know we are on the eve of dissolution of this House and the formation of a new Assembly. I do not think that at such a time as this it would be quite appropriate to associate Members of this House with a committee of that sort. Besides, it is such a vast problem that I do not think it would be possible to tackle it on the eve of Constitutional Reforms. The peasants of a country, as we know, form the backbone of the nation, and their condition, economic and otherwise, should be the first concern of a responsible Government. As an English poet has said:

“A bold peasantry is a country's pride,
When once destroyed can never be supplied.”

I would not like to commit myself to the terms of the original Resolution which recommends the appointment of a committee consisting of officials, experts and Members of the Assembly. I should like to give preference to the amendment which is sought to be substituted in place of the original Resolution. The question of agricultural produce is one which ought to receive the very serious attention of the Government. For instance the question of supplying improved seeds and seedlings of wheat, rice and sugar-cane has, in my opinion, not received as much practical amount of importance as it ought to have received. Institutions at Coimbatore and Pusa, for instance, are making a lot of investigations into the matter, but so far as the actual agriculturists are concerned, I am

afraid, they have not been afforded the full benefit of the results of the investigations carried on in those institutions. I do not lay the entire blame on the shoulders of the Government. The conservatism of the agriculturists is one item which prevents the people from taking to innovations of a novel kind to which they have not been accustomed before. Agricultural implements, for instance, are also a matter which is very closely connected with the question of agricultural population in this country. Our agriculturists have been using from time immemorial those old implements to which they have been accustomed from the time of their forefathers. It is necessary, under the new condition of things, to introduce new methods for the tilling of the soil and for other agricultural purposes. I do not know how far Government have been able to help the agriculturists in this matter. Sometimes we have exhibitions in which agricultural implements are shown by way of demonstration to the people, but these are few and far between, and I am afraid that that produces very small effect on the agriculturists so far as their daily avocations are concerned. Some friends have gone very elaborately into the question of improving the lot of the agriculturists, and I do not propose to traverse the same ground over again. It will be the function of the committee to find out the causes of the present depressed condition of the agriculturists and to devise remedies. I quite agree with some of my Honourable friends who have said that the question of giving protection to some of the industries in this country has been coming up very frequently before this House. I do not grudge whatever legitimate protection may be given to the deserving national industries of this country. But I would like strongly to emphasise the point that, agriculture being the very mainstay of the bulk of the people, the interests of the agriculturists ought to receive very serious consideration at the hands of the Government. I do not know what reply the Government Member would give to the Resolution. As I have already stated, I find some sort of inappropriateness in pressing this Resolution at the present juncture, but I hope that my Honourable friend, Mr. Bajpai, who is going to reply to this debate will give some sort of assurance which might allay whatever feelings of suspicion there might be lurking in our hearts that the interests of the agriculturists do not receive as careful and earnest consideration at the hands of the Government as some other industries receive. These are the points which I had got to say on this subject.

Mr. G. S. Bajpai: Mr. Deputy President, in the first place I owe an apology to my slumbering friend on my left for disturbing his repose. I shall try for his benefit to moderate the intensity of my voice as much as possible. (Laughter.)

This debate started nearly two months ago. There has been this long interval, and today many Honourable Members have taken part in the discussion. If I were to attempt to show to each one of them the courtesy of devoting at least two minutes to their remarks. I would exhaust the forty minutes which is the maximum that is allowed by your grace to a speaker on behalf of the Government when replying to a Resolution. I can only assure Honourable Members that, if I do not specifically deal with all the points, no discourtesy is meant, but that the limitations of time make it necessary to deal only with essentials.

Now, turning to these essentials, let me, in the first place, congratulate my Honourable friend, the Mover of this Resolution, for bringing up this

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important topic, and if Mr. Reddi were here, I would assure him at once that I was not going to take shelter behind the constitutional position and say that inasmuch as Land Revenue is a reserved provincial subject and Agriculture is a transferred provincial subject, therefore the Government of India can fold their hands and let all these matters take their course and shape in such ways as destiny would fashion.

Hony. Captain Rao Bahadur Chaudhri Lal Chand: Is not Industry a transferred provincial subject?

Mr. G. S. Bajpai: I do not quite follow the point of the interruption of my Honourable friend whether Industry is not a provincial transferred subject. I am stating that Land Revenue is a reserved provincial subject, that is provincial, though reserved, and Agriculture is also a provincial subject, though transferred, but we quite recognise the force of the remark of my Honourable friend, Mr. Ramaswami Mudaliar, namely, that without attempting to infringe the autonomy of the Provinces there is a great deal that the Government of India and the Provincial Governments can do in concert in order to further the prosperity of this country.

Sir, as regards agriculture, it has been said by more than one speaker that it is the mainstay of this country. Let me say that we are on common ground as regards that. Honourable Members who sit on these Benches recognise that just as much as Honourable Members who sit opposite. Report after report and book after book has referred to the 70, 80 or 90 per cent of the population of this country who directly or indirectly subsist on land and agricultural operations, and it is hardly conceivable, therefore, that any Government could assign to agriculture a secondary place in its affections or a secondary place in its policy. But, Sir, when I have made this confession of belief or faith, namely, that Government recognise the importance of agriculture, I would venture to join issue with my Honourable friend, the Mover of the Resolution, as to the effectiveness of the proposed method, namely, investigation by a committee for carrying out our sympathetic ideas and intentions. Honourable Members are aware that there has been a Royal Commission on Agriculture. It took more than two years or nearly two years to complete that work and cost us more than 14 lakhs of rupees. There has been a Banking Inquiry Committee since. Other investigations are afoot. Surely we do not want to shelve this question which needs action by referring points which are already known for investigation to another committee. The essential fact is this, that the causes of the present agricultural distress are well-known. There has been this world depression with its catastrophic fall in the prices of primary commodities, a fall which has been greater in proportion than the fall in prices of manufactured goods. Two results follow from that; first that the agriculturist has a much smaller margin left for purchasing those necessities which he has to buy in the shape of manufactured goods; secondly, that the burden on his fixed monetary charges, be it land revenue which is paid to Government, or be it the interest and principal that he pays to his creditors, that the margin left for them is either practically non-existent or completely inadequate to his requirements.

Now, Sir, I should like to describe, as briefly as I can, what Local Governments have done so far to deal with these two problems, namely,

the problem of the payments which are due to them and then the question of the payments which are due to the creditor. On the first question I need only quote a few striking figures as regards remissions and suspensions of land revenue. I take the United Provinces for example. In 1931-32, out of a total land revenue demand of 7.27 crores, they remitted a sum of 1.25 crores. In 1932-33, out of a total land revenue demand of 7.49 crores, they remitted a crore and 40 lakhs. Take another Province, the Punjab. Out of a total land revenue payment of 4.49 crores in 1932-33, they remitted a sum of 46 lakhs and 73 thousand. In 1931-32, out of a total land revenue demand of 4.16 crores, they remitted a sum of a crore and 15 lakhs. Other Provinces perhaps have not given remissions on the same scale, but it may be that their local circumstances did not require the same generosity of treatment.

Mr. M. Maswood Ahmad: What is the remission given in Bihar?

Mr. G. S. Bajpai: My Honourable friend is perfectly aware that Bihar is a permanently settled Province and the revenue taken there is absolutely out of all proportion even to the reduced prices of agricultural commodities that prevail today.

Mr. Sitakanta Mahapatra: What about Orissa?

Mr. G. S. Bajpai: I can give my Honourable friend the figures for Orissa also, but it seems to me that in the time which is available to me, I should go on to more important points than the elucidation of past history as to how much has been given by way of remission of land revenue in every Province in India.

Now, my friend, Mr. Mudaliar, pointed out the other day that this remission of revenue was only a palliative. In other words, it does not provide a permanent remedy for this problem of the fall in agricultural prices which, for aught one knows, may last indefinitely. There, again, the Local Governments have not been idle. The Government of the Province from which I come has evolved a formula which provides for an automatic adjustment of the rent and revenue demand to fluctuations in prices. What other Provinces will do in the light of what has been done in the United Provinces I am not able to say, but I can assure my Honourable friends here that the Conference of provincial representatives which has been sitting in another part of this very building for the last four days has been exchanging ideas, merely with a view to enabling each provincial representative to see for himself what can be done in his Province on the lines of what has been done or accomplished in other Provinces in connection with this very difficult question.

I pass on now from the problem of the obligation of the agriculturist to the Government to the obligation of the agriculturist to his creditor. Now, Sir, that, as everybody will admit, is an extraordinary difficult problem. On one extreme there is the suggestion to repudiate all these debts. Now, Sir, expropriation may be very attractive to those who are not to be expropriated immediately, but on the other hand it is a most extraordinary, and dangerous precedent to set up. Today it may be the turn of the money-lenders to be expropriated. Tomorrow it may be the turn of somebody else to be expropriated. Where are you going to stop? The process will go on, and I do not think even those, who

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pay dreamy allegiance to the Nihilistic economic doctrines of Russia, will be prepared to embark upon a policy of wholesale or progressive expropriation. That, Sir, being the position, namely, that expropriation is not to be attempted, some remedy has to be found. You have to recognise the fact that the co-operative movement, though it was started with great hopes in the country, has not met with the measure of success that its sponsors expected.

Mr. B. Das: That is a fair admission on the part of the Honourable Member.

Mr. G. S. Bajpai: I think I am nothing if not fair in my presentation of a case. The expectation of the sponsors of the co-operative movement in regard to what it can accomplish for short term credit and for intermediate credit and for long term credit has not been realised. That being so, one has to recognise that if you go too far and deal in a drastic manner with existing debt, you run the risk of completely drying up the sources of credit to the agriculturist. Is that going to help him? No. Very well, then you have to find a balanced solution, a solution which will satisfy the agriculturist and at the same time be fair to his creditor. In regard to that, I have been greatly enlightened and instructed by what I have heard in the course of the discussions that have been going on in that Conference. I find that it is not one solitary Government which is engaged upon the consideration of this all important problem; that exploration and investigation has proceeded apace in more than one Province. In the United Provinces, I believe, on the ninth of this month a legislative Session will be started which will deal with no less than four measures designed to deal with the problem of agricultural indebtedness. In the Central Provinces, the principle of settling debts by conciliation has already found expression in statutory form and they also have other legislation in view. The same is the case in the Punjab. We hope that in the light of the discussions that have taken place in this Conference, the experience of others will be utilised by those Provinces that have not taken any initiative so far, to see how far it can be adapted to their own requirements, because it is a matter, not merely of common knowledge, but I think it is generally admitted that the problem of the indebtedness of the agriculturist goes to the very root of the whole question of his prosperity, and because, unless and until this heavy burden of his indebtedness has been satisfactorily dealt with, it is hardly likely that we shall be able to increase or improve his purchasing power. Now, I have dealt with what I consider to be the field of operations of the Local Governments,—land revenue and irrigation charges on the one hand and agricultural indebtedness on the other. I shall now come to the part of the Central Government in this programme of relieving agricultural distress.

The Honourable the Finance Member, Sir, in his Budget speech made a very elaborate survey of what could be attempted and what has already been attempted by the Government of India in that direction consistently with the limitations that are placed upon us under the Constitution. Now, I should like briefly to recapitulate and in some ways, if I may, supplement the classification which he adopted for explaining the efforts of the Government of India. I think, Sir, that the Government of India have

taken steps under six heads to deal with this problem. The first head is that of the policy of discriminating protection. It has had a two-fold effect. If you take the cotton industry, for example, the protection that has been given has, by increasing the purchasing power of a certain section of the community, increased the demand for our own agricultural commodities here. More directly, there has been a protection for agricultural commodities themselves. Wheat is an instance in point. My Honourable friend, Diwan Bahadur Ramaswami Mudaliar, would, I take it, question me as to what is happening as regards rice. The position, as I explained the other day, is fundamentally different in regard to rice inasmuch as we are not an importing country, but, including Burma, an exporting country. Therefore, the problem of rice is different. Nevertheless, we have made representations even on that subject to the powers who are our competitors and I hope that, before the end of the Session, I may be in a position to inform Honourable Members as to what measure of success these representations have achieved; at least we shall leave no stone unturned to get those negotiations concluded as rapidly as possible. But to go on with the policy of protection, there is another crop which has received the benefit of that policy—I refer to sugar-cane. The next remedy which the Government of India have adopted in order to deal with this problem is that of trade agreements. The Ottawa Agreement was referred to the other day by the Honourable the Finance Member and figures were quoted by him to show the improvement in the exports of rice and of linseed from this country to the United Kingdom under the operation of that Agreement. Then we hope, now that we are carrying on negotiations with the Irish Free State and as a result of other negotiations with other empire countries that may be started, that all that is possible will be done to find markets for our agricultural produce in those parts of the empire. There is also the agreement with Japan which has had the effect of securing a stable market at least for a portion of our output of cotton. The third thing which the Government of India have undertaken is the improvement of the quality of our produce through research. I need not at this stage say very much about the activities of the Imperial Council of Agricultural Research. Honourable Members will be meeting the Vice-Chairman and experts of the Council in a few days from now. If they will attend these meetings, they will be able to learn and assess what is being done there. The fourth is the organization of commercial intelligence. Honourable Members are aware of the good work which our Trade Commissioners abroad are doing. We found that our internal organization of commercial intelligence was not what modern conditions required. A central Department of Commercial Intelligence has already been set up and the Robertson-Bowley inquiries are also directed towards perfecting from the bottom upwards the collection and the classification and the presentation of statistics. We hope that that is also going to make its contribution to the common stream of advancing prosperity to the agriculturist.

Next comes the question of freights. The Honourable the Commerce Member, in dealing with the Railway Budget, the other day, made a statement as to what had been done already in regard to wheat, and, between certain termini, in regard to rice. My Honourable friend, the Financial Commissioner for Railways, undertook to look into the question of the transport of rice from Bihar to the Punjab. Personally I do not anticipate much result from that investigation, because my information is that as regards rice Bihar is a deficit Province. (*Voices*: "No, no.")

[Mr. G. S. Bajpai.]

However, I hope all the same that he will be able to give some satisfaction to my Honourable friend, Mr. Maswood Ahmad. I have now, Sir, as briefly as I could, attempted to give an account of what the Local Governments have done and are doing and what the Government of India have done and are doing.

The question of marketing has been raised by more than one Honourable Member. It is recognized that grading, stapling, and bulking, indeed marketing generally are very important questions. In regard to that also, I announced to the House the other day that the employment of a marketing expert had already been decided upon, and we hope that that will also have its effect upon the task of economic rehabilitation.

I think, Sir, that it is not necessary for me now to detain the House with any more elaborate statistics or arguments. I do hope that in what I have said I have been able to convey to the House an idea of what we ourselves are convinced of, namely, that neither the Government of India nor the Provincial Governments are dormant in this matter, that they are not decrepit, and that they are doing all they can, consistently with their resources and with the complexities of the problem to advance the cause of agriculture. My Honourable friend's object, I believe, was to draw attention to the importance of this subject. I think that the number of speeches that have already been made and the interest which this discussion has aroused must have satisfied my Honourable friend that Government have been reminded—not that they needed to be reminded—of the weight and importance which the House attaches to this all-important question.

I shall merely repeat what I said before that there is no need for a committee of enquiry, because the causes of the distress are well-known and the duty of remedying these difficulties is being discharged steadily, and I hope it will be discharged successfully. I shall beg of my Honourable friend, if he will agree, on my presentation of the case, to withdraw his Resolution.

Before I resume my seat, there is one word which I should like to say to my Honourable friend, Mr. Thampan, and one or two others who seemed to postulate some inherent and unappeasable conflict between industry and agriculture. May I submit to them with all respect that, far from there being a conflict between these two, there is a vital harmony. In a phrase made famous by Sir Syed Ahmad—I will apply his metaphor to this particular case—industry and agriculture may be described for this country as the lotus eyes of a lovely maiden. You cannot hurt the one without marring the beauty of the face. So please do not go on emphasising a conflict which does not exist, except in the minds of the biased. (Applause.)

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

Dr. Ziauddin Ahmad: May I ask a question? Will the Honourable Member be pleased to tell us what steps the Government of India have taken or propose to take to raise the price level of the agricultural produce as they are doing in the case of the manufactured articles?

Mr. G. S. Bajpai: So far as that particular question is concerned, I shall refer my Honourable friend to the relevant paragraphs of the financial statement made by the Honourable the Finance Member in this House on the 27th February.

Mr. B. Das: May I ask the Honourable Member what has been the result of the Conference of the provincial representatives? Have they appreciated the indebtedness of the agriculturists?

Mr. G. S. Bajpai: The Conference not having yet finished, my Honourable friend will agree that the results are not yet available even to the members of the Conference itself. As regards their appreciation of the problem of indebtedness, I can assure my Honourable friend that they devoted a day and a half to this subject on the basis of very elaborate material which had already been collected for them by their own Secretariats and by the Secretariat of the Government of India.

Mr. Uppi Saheb Bahadur: May I ask the Honourable Member whether the Government have taken any action with regard to the interests of cocoanut growers?

Mr. G. S. Bajpai: Sir, I live in a dry land, and I have not much knowledge about cocoanut, and as my Honourable friend, Sir Joseph Bhore, is not in his seat, I would ask my Honourable friend to wait and address his question to him.

Mr. M. Maswood Ahmad: Sir, I congratulate my Honourable friend Mr. Brij Kishore, for giving us an opportunity to discuss this question of agricultural distress. My Honourable friend, Mr. Bajpai, has said that Government do not give secondary importance to this question, but it is evident from the fact that all the front Government Benches are empty . . .

Mr. G. S. Bajpai: I do not wish to interrupt my Honourable friend, but I might explain to him, as was stated by the Honourable the Leader of the House this morning, that the absence of Government Members on the front Benches is due to their participation in the Conference which is applying itself in a practical manner to the very problem that we have been discussing today.

[At this stage, some of the Executive Councillors entered the Chamber.]

Mr. President (The Honourable Sir Shanmukham Chetty): They are just in time to hear your speech.

Mr. M. Maswood Ahmad: But I am sorry to say that the Member in charge of the Agricultural Department is not present. Sir, I am sorry to say that at the time when the general discussion was going on on the Finance Bill, my Honourable friend, Mr. Bajpai, could not get a chance to reply to the questions that were raised at that time, and I had expected that today my Honourable friend would reply to some of those points, especially the question with regard to the export duty which we had pressed at that time. The remarks which I will make today will be in continuation of my speech delivered at the time of the General Discussion on the Finance Bill.

Now, Sir, what I want to say is this that there are recommendations contained in the Report of the Agricultural Commission, but up till now Government have not taken much interest in them, and many suggestions which are useful for the agriculturists are still kept in abeyance.

Mr. G. S. Bajpai: Again, Sir, I would remind my Honourable friend that in the Library of the House are available statements showing what action has been taken by the Government of India and by Local Governments on the recommendations of the Royal Commission on Agriculture. I would suggest to him that he should apply himself to that publication.

Mr. M. Maswood Ahmad: I am glad to hear that Government are ready to express what action they have taken and what further actions they propose to take on that measure. But my grievance was that up to this time no information was available as to the action which the Government had taken.

Then, Sir, there are thousands of suggestions in connection with this subject which cannot be discussed on the floor of the House unless people sit in a committee. You will be surprised to hear, Sir, that after a great deal of trouble Government had agreed to have an informal conference to discuss the rice question. A meeting of that informal conference was held and certain information was required and Government undertook to supply that information. After receiving that information, we thought that another sitting of the informal conference would be held and then all the figures would be discussed and then they would come to certain conclusions. But it came as a great surprise to me that, after supplying those figures, no meeting of that conference was held. Then I wrote a letter to the Government in that connection and drew their attention to the fact that a meeting of the postponed conference should be held, but, to my great surprise, Government were not ready to have another sitting of that conference where we could have discussed those figures which were supplied by the Government. Therefore, I would like to say this to the Government that when you supplied certain figures to us in that connection, it was your duty to have another meeting of that conference.

Then, Sir, it is very difficult to realise the trouble in which we in Bihar find ourselves. You have heard just now, Sir, that no remission has been made in the Province of Bihar. My Honourable friend said that as the Bihar area was under the permanent settlement and the rate was already so low, it did not deserve any remission. But I think my Honourable friend, Mr. Bajpai, is not fully aware of the conditions in Bihar. There are villages in Bihar where about 75 per cent. of the income from the land is the land revenue of Government. I can give a name of a village to my Honourable friend and he can ascertain from the Bihar Government whether the fact is correct or not. There is a village, called "Keora" in the district of Patna where the entire land is *Naqdi* land and the rate which is realised from the tenants is six rupees a bigha and the land revenue is Rs 4-8-0 per bigha. It is quite surprising how my Honourable friend, Mr. Bajpai, said that the rates of the revenue in permanently settled areas were so low that they did not deserve any remission from the Government. I see that my Honourable friend wants to say something.

Mr. G. S. Bajpai: I was only going to say that my inability to speak for every inch of land in Bihar is less surprising than the attempt on the part of my Honourable friend to magnify this one grain of sand to the whole size of the universe.

Mr. M. Maswood Ahmad: I can give many instances, but I have got only 15 minutes at my disposal, and if I begin to give the names of villages, I shall not have sufficient time to speak about other matters.

The other point that I wish to bring to the notice of the House is that although agriculture is a transferred and a provincial subject, there are certain questions in this connection which relate to two or three Provinces, and it is not possible for one Province to do anything in that connection. So, with regard to these inter-provincial matters, Government should take interest and they should examine those questions. Unless they do that, it is very difficult for one Provincial Government to do anything. Further, in this connection, I want to say that Government must realise this question also that wheat and cotton are not the only agricultural products. Whatever the Government do, they do only for wheat and cotton. Whenever any reduction is made in the freight, it is for wheat or cotton, and whenever any duty is reduced or protection is given and anything is done, it is for wheat or cotton. Just now certain relief has been given to the cotton growers in Bombay. Certain duties have been abolished and certain facilities have been given to the cotton growers, but you find nothing has been done for the rice grower. Our rice growers are handicapped in sending their rice outside on account of this export duty. The Government are doing nothing to help the agriculturists of Madras, Bengal and Bihar. These are the points which Government must consider thoroughly and do something in this connection.

Before I sit down, I again press this point that the meeting of that informal conference, which has been postponed, should be held in the near future before we disperse, because, after the Simla Session, this Assembly will be dissolved, and there will be new election and the new Members that might come in will not be aware of the facts which were discussed at this meeting. So, it is better for the Government to have a sitting of that informal conference before we disperse from here.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadan Rural): Sir on the 14th February last, when I moved this Resolution, it was wholeheartedly supported by three Honourable Members, and today the Honourable Members who have spoken something against it on technical points at least have also shown sympathy with the object of the Resolution in one way or the other. My Honourable friend, the Raja Bahadur, in his speech assured the Government that by accepting this Resolution the cause of agricultural distress must be found out. My Honourable friend, Diwan Bahadur Ramaswami Mudaliar, said that this is the most important Resolution that has so far been tabled by non-official Members and has come up for consideration, and the same thing has been said by Mr. Amar Nath Dutt today. I am thankful to those Honourable Members who have supported it today. I respectfully appeal to the Government that there should be a thorough and careful enquiry and investigation at the sitting conference, so that the cause of agricultural distress might be traced, and when the cause is ascertained, action can easily be taken to remedy the evil. Sir, by doing so, our Government would be benefiting a large class of people who are more than 80 per cent and the result of this relief would be that the peasants would be able to pay their rents to their landlords and landlords would be able to pay their revenue to the Government and thus the condition of all concerned would be better, and, Sir, any expense in this regard would be a sort of investment. I also appeal to the Honourable Members of the Conference sitting now in the other Chamber to go minutely into the speeches delivered by the Honourable Members of this House, including the speech of my Honourable friend, Mr. Joshi, who always preaches a little dangerous doctrine in such matters only. I am very grateful to the Government for their very sympathetic attitude evinced in their reply to

[Rai Bahadur Lala Brij Kishore.]

the Resolution under discussion, and I hope they will take all the necessary steps for redressing the distress of the people who depend on agriculture, I mean both landlords and tenants.

Sir, since I moved the Resolution last, the Honourable the Finance Member had in his Budget speech fully reviewed the economic situation and had pointed out the manner in which that situation could be tackled. I take it that that is the view of the Government of India as a whole. I also find that they have already taken effective steps by appointing a marketing expert. The representatives of various Governments have also been invited, and they are sitting in conference over this very question. I trust that something substantial and to the benefit of the agriculturists and landholders will result from the deliberations of this Conference. Sir, I have suggested an enquiry into agricultural distress and have asked for means to be devised to improve the condition of the peasants and landholders of India. Sir, rural indebtedness and its extent is the greatest problem of the hour. Its solution can only be achieved by heroic methods and not by tinkering with it by means of petty legislation.

In view of all these facts and of the necessarily long delay which must entail if a committee be appointed, I ask for leave of the House to withdraw my Resolution, as the object of my Resolution for the present has been achieved, and I would appeal to the Government to appoint such a committee if attempts in the conference do not prove to be of practical use. With these words, I beg leave of the House to withdraw the Resolution.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): I want to make a personal explanation. I was speaking on the last day when this Resolution was under discussion, and it was my intention to pursue this subject this morning, but I was requisitioned elsewhere to fulfill an engagement which I had already made. But it was my duty to have informed you beforehand of that fact and to have taken your permission. I regret that I did not do so, and I wish to apologise to you and to the House for the seeming discourtesy of which I have been guilty.

The Resolution was, by leave of the Assembly, withdrawn.

RESOLUTION *RE* CONSTITUTION OF MALABAR INTO A SEPARATE PROVINCE.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, the Resolution, which my Honourable friend, Sardar Nihal Singh, has asked me to move, runs thus:

"This Assembly recommends to the Governor General in Council that steps be taken to constitute Malabar (Kerala) (Madras Presidency) as a separate Province together with neighbouring Malayalam-speaking areas."

In the Resolution, as it is printed in the agenda, it is "Malayee" which is a typographical error. I must admit that I cannot speak as a representative of Malabar and when we hear the representative of Malabar on this subject, we will probably know that he does not agree with me. Sir,

I make this preliminary observation and judging from a rather reckless outburst in the newspapers by the representative from Malabar it has disappointed his own constituents in Malabar and judging from a newspaper article in the *Mathrabhumi*, a very cautious newspaper, it appears that Malabar is not represented in this House as it ought to be represented, because our democrats, Members of the Democratic Party, run with the hare and hunt with the hound ignoring their duties and responsibilities to their own constituents, and, therefore, I have to take upon myself the duty of speaking for the people of Malabar.

Mr. B. Das (Orissa Division: Non-Muhammadan): That is a very serious charge against my Party.

Mr. C. S. Ranga Iyer: It is perfectly right when my friend says that it is a serious charge against a member of his Party who misrepresents Malabar in this particular matter.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): I am glad there is one here who, though hailing from Rohilkund and Kumaon, calls himself a true representative of Malabar, and is prepared to speak for them.

Mr. C. S. Ranga Iyer: I represent the public opinion of Malabar in this matter, and I have received several letters, and my Honourable friend can verify my statement when he returns to Malabar, and I propose to follow him.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Then will the Honourable Member stand from the Malabar constituency?

Mr. C. S. Ranga Iyer: I am not lured by these Legislatures and I will decide whether I should stand for these Legislatures or not.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): We shall be very sorry to lose you from the United Provinces!

Mr. C. S. Ranga Iyer: Quite so, because several representatives of my constituency have been coming from Moradabad, Bijnore and other places from the United Provinces and they have been pressing me to stand from my old constituency though I do not feel like doing so. I do not know whether it will be worth my while to stand for this Legislative Assembly before the new Constitution comes, whether I should travel over my far-flung constituency and fight an election, if a fight is necessary, for a period of two years to repeat what we have been doing and speaking here. I might be charmed by the new Constitution, but let me say straightaway to, I believe, the Deputy Leader of the Democratic Party that I have no serious intention of standing from Malabar for this Legislative Assembly. I have, however, every intention of going to Malabar and speaking to my people that the time has come to call their soul their own, as they are most certainly doing. Sir, Mr. Thampan either in his capacity as a member of the Democratic Party, an office-bearer of that Party, or in his capacity as a representative of Malabar made an

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inaccurate statement, and for inaccurate statements the Democratic Party cannot be beaten in this House. (Laughter.) He made an inaccurate statement in the press that no one in Malabar wants a separation. That was his statement in the newspaper press and he said that I got hold of a few Muhammadans in the lobby and told them that Malabar, if separated, will benefit the Muslims and that is how I was trying to get a place in the ballot,—a rather unworthy thing for a Member who is opposed to my view to say publicly. But the Democrats will say anything and everything, false or true, and the falsehood that Mr. Thampan has uttered is that no one in Malabar wants this separation. Sir, I have got telegrams from Malabar people that they want a separation. One of them is certainly from the Muslims of Malabar, and Muhammad Abdur Rahaman wires:

"District and all Taluk Boards unanimously passed resolutions separate Malabar Province Muslims solidly support."

Sir, assisted by a convenient news agency it was possible for Mr. Thampan to say in Upper India that no one wants separation in Malabar.

Mr. K. P. Thampan: When did my friend get that telegram?

Mr. C. S. Ranga Iyer: The telegram is dated the 4th April.

Mr. Uppi Saheb Bahadur (West Coast and Nilgiris: Muhammadan): That gentleman is a Cochinite.

Mr. C. S. Ranga Iyer: That gentleman may be a Cochinite; I am also a Cochinite, but I am also a British citizen.

Mr. K. P. Thampan: This telegram was received after I made the statement to the press.

Mr. C. S. Ranga Iyer: The Honourable gentleman's statement to the press was made probably three weeks ago. This telegram came to me yesterday because it was in the newspapers that a Resolution regarding the separation of Malabar was balloted for discussion. The day Mr. Thampan made the statement, to which I have referred, I read in the *Madras Mail* that Ernad taluk had passed a resolution asking for the separation of Malabar. And here is a gentleman, a responsible member of the Democratic Party, proclaiming to the world that no one wants separation. Sir, I have got another telegram and that is from the Chairman of the District Board in Malabar.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): What has the Democratic Party got to do with it?

Mr. C. S. Ranga Iyer: I will presently explain. Democracy must not mean irresponsibility, and responsible office-bearers of that Party must not speak things that are not correct.

Mr. Gaya Prasad Singh: Mr. Thampan is not an office-bearer of that Party.

Mr. C. S. Ranga Iyer: I am glad that after my friend's joining that Party, Mr. Thampan has lost his office. That is some progress, because he was an office-bearer of the Party before the advent of Mr. Gaya Prasad Singh.

Sir, this is the telegram that Mr. Palat, the Chairman of the District Board of Malabar, has sent me:

"See Madras Council Proceedings Second August and Eleventh November, 1933, also Malabar Muslims entitled to one-third of 29 Muslim seats on population basis but allotted unjustly seven seats only."

Mr. K. P. Thampan: May I ask when that telegram was received?

Mr. C. S. Ranga Iyer: This telegram is dated the 4th April from Calicut.

Mr. K. P. Thampan: The Chairman of the District Board does not say anything in that telegram about the resolution passed by the District Board while the other telegram sent by one Abdur Rahaman says that the District Board has passed a resolution. That is why I suspect it.

Mr. C. S. Ranga Iyer: I am placing before this House facts wired to me which this House, and through this House the country, ought to know. Probably Mr. Thampan presumed that I, a voluntary exile from Malabar, was the only man who wanted the constitution of Malabar into a separate Province.

Mr. K. P. Thampan: Mr. Palat is the President of the District Board, and if the District Board had passed a resolution like that, it was up to him to give that information.

Mr. C. S. Ranga Iyer: I had written to Mr. Palat, and this telegram is a reply to my letter. I had made a request to Mr. Palat to supply me with information on this matter, because an eminent representative from Malabar had proclaimed to the world that the Malayalis did not want separation!

Mr. K. P. Thampan: I still maintain that.

Mr. C. S. Ranga Iyer: Not one Malayali wants separation,—that was his statement, and he still maintains it. Mr. Palat is not a Malayali and Mr. Thampan is! He is Chairman of the District Board of Malabar, a position that Mr. Thampan has yet to occupy, and during his brilliant political career he has failed to occupy that position. Sir, we have got obstacles in the way, and one of those obstacles which I propose to fight in Malabar is Mr. Thampan. (Laughter.) He has been in the Madras Provincial Council for long years. His whole career has been cast in the Madras Presidency, and I can understand his not wishing to get out of the Province to which he has been accustomed and in which he has made a name for himself. But because he is prejudiced, he should not underrate what he does not believe in. He must not say that no Malayali wants the separation of Malabar into a separate Province. I do not know the influence that the Indian National Congress has in Malabar. Mr. Thampan knows it better; but the Indian National Congress has constituted Malabar into a separate Province. It calls it Kerala. And whether Travancore and

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Cochin are included in the Congress constitution or not included, I am not in a position to say. But I believe that the Indian States are left out and that the Congress constitution only stands for British India, as I knew the constitution to be when I was a Congressman, and the constitution has not been altered since. Just as Utkala is a separate Province, and just as Sind is a separate Province, Provinces brought into existence on linguistic lines, we the people of Malabar demand that Malabar must be constituted as a separate Province. Sir, if you read the latest Census report, you will find that Malabar as a Province is the most compact Province, because both linguistically and from the points of view of custom and tradition, Malabar stands by itself. And, therefore, I do not really see why Government, specially when the Federation is coming into existence, should not follow up the good example they have set up in regard to Orissa; and there I congratulate my Honourable friend, Mr. B. Das, for his activities here and in England.

Mr. B. Das: Hard work of 30 long years made Government accept that

Mr. C. S. Ranga Iyer: Hard work, I agree, has been crowned with ample results, and I congratulate Mr. Das on what he has achieved for Orissa after 30 years' struggle, and I hope I will not, when I lay the foundation for a new struggle in Malabar, have to wait for 30 years. I know it is a folly of John Bull to wait until you make some fuss; but John Bull is now going into the background: your Federal Government is coming into existence, and why, I ask, should Malabar not be able to stand upon its own legs? If there are representatives here from the Andhra country, as I believe there are, I know that they want that the Andhradesha should be constituted into a separate Province

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): Yes; we want.

Mr. C. S. Ranga Iyer: and the Andhras have been carrying on a splendid and spirited campaign for the separation of Andhra from the Madras Presidency. I do not see why the Andhras, who speak the Andhra language, have Andhra traditions, Andhra culture and Andhra history, should not have an Andhra Province

An Honourable Member: And the Andhra University.

Mr. C. S. Ranga Iyer: They have got an Andhra University which I think is a happy augury, because they will soon get the Andhra Province. A Resolution was discussed, probably passed—I have not looked it up—in the Madras Provincial Council on the separation of the Andhra Province. When the Andhras are separated from the Tamil country, what is left to us? (A Voice: "Tamil Nadu.") My friend, Mr. James, full of ideas about the Tamil Province, says Tamil Nadu will be left there. I know that the Tamils have been complaining that we Malayalees have been exploiting their Province. I do not for a moment say that it is not a truthful complaint. It is perfectly true that Malayalees were until lately in the Executive Council of the Tamil Government, but still the

Malayalees complain that, when matters such as reduction of land revenue and things of that kind come forward, we are judged more by the Tamil standard and less by the interests of Malabar. We may have an advantage; we have also a disadvantage. Our position is more comparable to Cochin and Travancore; and today in this period of great agricultural depression, what have the Cochin and Travancore Governments done? They have given concessions in regard to land revenue which the Madras Government have refused to give to the Malabar Province. Why? Because we are not in a position to bring the same pressure to bear upon the Madras Government as we will be when our capital is Calicut and not Madras. We are told the size of the district is not big enough to be a Province. Provinces must no longer be made on considerations of size or extent. On the contrary, hereafter we must consider one or two important points. Financially, can this province stand upon its own legs? Malabar can stand upon its own legs financially

An Honourable Member: Without any subvention?

Mr. C. S. Ranga Iyer: Without any subvention of any kind whatever, from the Central Government. We will not be able to pay our Ministers four thousand rupees, and we do not want to pay our Ministers four thousand rupees. A small Province will give small salaries; but it can run its administration on sound and economic lines. I know Mr. Thampan, unfaithful to the creed of democracy, drew across the trail a red herring, saying I was playing into the hands of the Muslims. I say, why should I not give unto the Muslims of Malabar, the Moplahs of Malabar, a virile people, why should I not give unto them what is their due? They are more than 30 per cent of the population

Mr. K. P. Thampan: Nor did I say they should not be given what is their due.

Mr. C. S. Ranga Iyer: I know the Honourable gentleman will deny it, but he proclaimed to the newspapers that I canvassed Muslim signatures on the assurance that the position of the Muslims will be better in Malabar than it is today, and thus democracy was playing to the communal gallery

Mr. K. P. Thampan: I said the truth and nothing but the truth; that was what you did.

Mr. C. S. Ranga Iyer: I say on the floor of this House that Malabar, which consists of the Hindus and the Muslims, will profit by its separation, yes, Hindu and Muslim alike: I say on the floor of this House that the Muslims of Malabar do not get proper treatment in the Madras Presidency: the lion's share of it goes to the Non-Brahmins and not Muslims. In Malabar, there is not that non-Brahmin question; in Malabar, there is the question

Mr. K. P. Thampan: Saviour of the Moplahs!

Mr. C. S. Ranga Iyer: I am not a saviour of the Moplahs much as I would like to be a saviour of the Moplahs. I want to save them from the old traditions that they have been following.

Mr. K. P. Thampan: What a noble task!

Mr. O. S. Ranga Iyer: A noble task, I agree; and I want one-third of the population of Malabar to have better education, so that they will break from the traditions of the past: they have not had those educational opportunities; and if Bengal with a minority of the Hindu population can be a separate Province, I do not see why a two-third Hindu majority in Malabar must be afraid of a one-third minority of Moplahs; and I may say straightaway that the Mopla is not a rank communalist. He is a fighter; touched with fire he becomes hot as gun-powder (laughter)—that is perfectly true; but I want to civilise the Moplah; I want to educate the Moplah; those educational facilities have been denied to the Moplah and I know that the Moplah districts of Malabar have moved in demanding separation; Mr. Thampan may make it a communal question; and so long as communal electorates continue, Mr. Thampan and his tribe can thrive on it; but I am anxious, not from a communal point of view, but from Malabar's point of view, to build up this new Province. It has a greatness of its own; it has a genius of its own; there, for instance, you have the Marumakkathayam Law—the matriarchal system prevails in Malabar, not the system that is known outside or this side of the Western Ghats. Why should I not keep up the genius of this race? So long as we do not come with the beggar's bowl either to the Central Government or to a Provincial Government (Interruption). What does Mr. Jadhav know about that part of India? So long as we do not come and disturb you people in Bombay, though we will keep South Canara, that is, until a Kanarese Province is created and then we will give to them what belongs to the Kannada speaking people, but with this proviso that there is a part of Malabar even in South Canara which is Malayalam speaking. Up in the Nilgiri Hills also you have got Malayalam speaking tracts. All this must come to us

Mr. Uppi Saheb Bahadur: And a portion of Coimbatore also.

Mr. O. S. Ranga Iyer: Mr. Uppi Saheb is an authority on this matter and probably a portion of Coimbatore also. Here I may quote Sir Charles Innes singing the glory of Malabar. We differ from the Tamil and other parts of the Presidency, not only in our language, not only in our dress, not only in our method of thinking, but also in our dwelling:

"The houses of the people are not for the most part congregated in vallages of the type common elsewhere in the Presidency, but are scattered on the cultivated lands and along the foot of the hills surrounding the rice fields, each standing in its own garden. Only 8 per cent. of the people live in towns: the proportion for the Presidency is 11 per cent.; and the major portion of these are to be found in five or six large towns which include considerable areas more strictly rural than urban in character. For instance, within the limits of Calicut, at once the largest and most densely populated town, there are large stretches of cultivation and comparatively few streets and the number of houses to the square mile is only 472, while in towns such as Madras, Madura and Salem, the average ranges from two to three thousand to the square mile."

Objections which I can anticipate that men like Mr. Thampan will raise against my Resolution are these. Are not the Malayalis getting more jobs than they deserve in the Tamil Provinces, are they not getting more jobs than their proportion in the population would entitle them to? If that is so, we should not thrive upon an injustice. Again, it may be asked, can a small Province like Malabar make an impression on India? I say, certainly it can. Malabar will have direct representation in the Federation, and, as an independent unit of the Federation,

Malabar will be heard better than it is heard now, and then in this continent of India people will realise that there is a nation called the Malabar nation, a Kerala nation. India consists of many nations, Sir, some small as Czecho-Slovakia, some of them large as the United Kingdom. For instance, the United Provinces has a population larger than that of the United Kingdom, but these small and big Provinces must go to make the nation of the future. I have no harsh word against the Tamils. They have given us hospitality in their own Presidency to which we do not belong. They have given us also opportunities, I admit, but they have denied us one thing. They have not enabled us as a nation to make our contribution to Indian politics, to Indian nationalism, and even to Indian literature

Mr. B. Das: Sir Sankaran Nair.

Mr. C. S. Ranga Iyer: Yes, I am very glad, my friend, Mr. B. Das, mentions the name of an old and esteemed friend of mine, Sir Sankaran Nair. I am also glad to say that he is a supporter of this movement for the separation of Malabar, even though Mr. Thampan may say that he is not a Malayaleel. He is one of the great leaders of Malabar. He is greatly respected in Malabar, and after all that he has seen and known, he has come to the conclusion that Malabar must also be constituted as a separate Province like Sind is constituted, like the Province of Orissa, like the Andhras rightly aspire for their Province also being so constituted

Mr. Amar Nath Dutt (Burdwan Division. Non-Muhammadan Rural). Why not Gangarides?

Mr. C. S. Ranga Iyer: Next time I hope my friend will succeed in balloting a Resolution for that beautiful mystery. It is not necessary at this stage to take any more time of the House. I am quite willing to face the music in this House as well as outside this House.

Mr. President (The Honourable Sir Shanmukham Chetty): Resolution moved:

"This Assembly recommends to the Governor General in Council that steps be taken to constitute Malabar (Kerala) (Madras Presidency) as a separate Province together with neighbouring Malayalam-speaking areas."

The discussion will be carried over to the Simla Session.

Rao Bahadur B. L. Patil (Bombay Southern Division: Non-Muhammadan Rural): I want to move my amendment to this Resolution.

An Honourable Member: You cannot.

Rao Bahadur B. L. Patil: I can. I am afraid, Sir, in view of one of the rulings already given in this House, I shall not be able to move my amendment in the Simla Session; therefore with your permission, I should like to move my amendment today

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. Mr. Patil's amendment is not in order. It enlarges the scope of the Resolution altogether. The Resolution is for constituting Malabar into a separate Province, and the Honourable Member wants to take the occasion to express an opinion by means of his amendment that Karnataka must be made a separate Province.

Rao Bahadur B. L. Patil: Sir, I should like to draw your attention to the ruling given in this House before.

Mr. President (The Honourable Sir Shanmukham Chetty): Which one? Page?

Rao Bahadur B. L. Patil: It was given on the 1st February, 1922.

Mr. President (The Honourable Sir Shanmukham Chetty): What is the page of the book of rulings?

Rao Bahadur B. L. Patil: Page 399. On the 1st February, 1922, a Resolution was moved regarding Women's Franchise for the Assembly Elections to which Dr. H. S. Gour moved, as an amendment advocating also the removal of the sex bar in the matter of practice in the Law Courts. Objection was taken to the amendment under Standing Order 33(1) that it was not relevant to the original motion. But, Sir, the Chair ruled that the amendment was in order, because it was within the scope. I may be permitted to explain that my amendment is also within the scope of the original Resolution.

Mr. President (The Honourable Sir Shanmukham Chetty): Can the Honourable Member show the Chair as to how it is in order?

Rao Bahadur B. L. Patil: Sir, my point is this. When this House considers the Resolution, it has first of all to decide upon the principle whether there should be re-construction of the Provinces on a linguistic and geographical basis. That is the first thing to which this House will have to apply its mind. Then, in the second place, Malabar and Karnataka are adjoining areas, and all relevant questions can be considered together. For these two reasons, and relying upon the precedent which I have just pointed out, I submit that my amendment is in order and is within the scope of Standing Order No. 33.

Mr. President (The Honourable Sir Shanmukham Chetty): If the Honourable Member had read the whole of that ruling, he would have observed that the Chair found considerable doubts about the admissibility of that amendment, because the Chair pointed out:

"I consider further that the point is open to doubt and is not for that reason to be taken as a binding precedent. I allow the Honourable Member from Nagpur to move his amendment".

Rao Bahadur B. L. Patil: May I point out, Sir

Mr. President (The Honourable Sir Shanmukham Chetty): Order. order. The Honourable Member cannot interrupt the Chair when the Chair is speaking.

The Chair has carefully considered the question, and it now definitely rules that the amendment of Rao Bahadur Patil is not in order.

Mr. K. P. Thampan: I would just like to

Mr. President (The Honourable Sir Shanmukham Chetty): There cannot be any discussion on that.

Mr. K. P. Thampan: No, Sir. What I want to point out is this. The Assembly Session will be held only after three months in Simla, and, therefore, if you will allow me to make a personal statement, I shall be very grateful to you

Mr. President (The Honourable Sir Shanmukham Chetty): Personal statement?

Mr. K. P. Thampan: Yes, Sir, it is a personal statement. My friend, Mr. Ranga Iyer, said that I stated an untruth in saying that no one . . .

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair does not think it can allow that . . .

Mr. K. P. Thampan: Sir, I happen to be the elected representative of Malabar South Canara and Nilgiris in this House. Till today I have not received any representations from any local body or any association or meeting in my constituency regarding the separation of Malabar . . .

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Chair thinks that is a sort of statement which the Honourable Member should incorporate in his speech, and he will get ample opportunities of doing so when the discussion is resumed. Nothing will be lost in the meantime.

Mr. C. S. Ranga Iyer: The Honourable Member got a letter from the Editor of the *Mathrabhumi*.

STATEMENT OF BUSINESS.

The Honourable Sir Brojendra Mitter (Leader of the House): With your permission, Sir, I desire to make a statement as to the probable course of Government business in the week beginning Monday, the 9th April. On that day, a motion will be made for the election of Members to the Court of the Delhi University. If the Indian States (Protection) Bill should not be completed at the time when you adjourn the House on Saturday, the first business will be the completion of that Bill. Thereafter motions will be made to take into consideration and pass the Indian Tariff (Textile Protection) Amendment Bill, as reported by the Select Committee. It is hoped that that Bill may be passed by the evening of Wednesday, the 11th. Thereafter, the House will sit on Thursday, the 12th, and Saturday, the 14th,—Friday, the 13th, being a gazetted holiday. The business to be brought before the House will be a Resolution dealing with the Road Fund and the following legislative programme:—Motions to take into consideration and pass the Trade Disputes (Extending) Bill, the Indian Lac Cess (Amendment) Bill, and the Factories Bill, as reported by Select Committee, and, should time be available, motions will be made to refer to Select Committee the Indian Petroleum Bill, the Indian Carriage by Air Bill, and the Indian Aircraft Bill.

Mr. President (The Honourable Sir Shanmukham Chetty): It is the duty of the Chair to observe that it is now up to the Government and the Leaders of Parties to consider the programme before the House. The Chair has looked into the calendar, and it finds that after the 21st of this month the Muharram holidays begin, and that takes away four days. If the business of the House is not concluded by the 21st, then it will have to be resumed only on the 25th or 26th. In view of this, the Chair thinks it is up to the Leader of the House to get into touch with the Leaders of Parties and decide a programme in accordance with the time that can be reasonably expected to be at the disposal of this House.

Diwan Bahadur A. Ramaswami Mudaliar: I would like to submit that while we are anxious to co-operate in trying to get through the work, we are bound to state that Government should seriously consider whether they are justified in putting forward all the work that is mapped out at present for this Session, and to ask whether it will not be better to hold over some of the less important and less urgent work for another Session. This Session has considerably been prolonged beyond the usual expectations. Honourable Members have made arrangements whereby they must leave Delhi by a certain date, and I hope that Government will consider whether it is not desirable to postpone some at least of the items of legislation that they are thinking of, so that in a fair way, with a more or less full House, discussion may really go on. Subject to that, I may say that we are willing to consider any feasible methods of expediting the work.

Mr. Gaya Prasad Singh: The Simla Session might be held early.

The Honourable Sir Brojendra Mitter: It is only the most important Bills which Government want to finish this Session, and some of the measures that I have mentioned in my statement of business for the next week are merely to fill up the gaps in case the Select Committees on the two Excise Bills do not finish their work. It is not necessary that they should be passed this Session. It is because of the uncertainty with regard to the time that will be taken by the Select Committees on the two Excise Bills that we have brought in those measures in order to fill up the gap. Anyhow, I shall remember your suggestion, and get into touch with Leaders of Parties. We are anxious to finish by the 21st at the latest, and I hope that that is the unanimous view of Members of this House.

Mr. President (The Honourable Sir Shanmukham Chetty): According to present arrangements, it is probable that the House would have to meet in Simla this year very much earlier than usual. We may have to begin some time in July, and, in view of that, the Chair thinks a determined effort must be made on the part of the Government and the Leaders of Parties to make up their mind to finish the Session by the 21st of this month. The Select Committees that are considering the Excise Bills must also keep this in mind so that they may send in their reports in time to finish the whole business by the 21st instant.

Dr. Ziauddin Ahmad: On the whole we have tried our level best to co-operate with the Government and to try and finish as early as possible. But Government are now piling up work after work. We have not only been sitting now six days of the week, but we are working on the Select Committees in the evenings, and it is a great strain on the Non-Official Members who cannot rely upon any secretariat. I may add that we have got our responsibility to the public in relation to these Bills and we have to discuss these things in full. I hope Government will not adopt the practice of moving for closure. We must have full opportunity to discuss the Bills in full, and it is really for the Government not to bring forward any contested measures on which the country is so well divided.

The Honourable Sir Brojendra Mitter: If my Honourable friend does not contest, it will be uncontested.

The Assembly then adjourned till Ten of the Clock on Saturday, the 7th April, 1934.

LEGISLATIVE ASSEMBLY.

Saturday, 7th April, 1934.

The Assembly met in the Assembly Chamber of the Council House at Ten of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

REPORT ON THE WORKING OF RULES TO REGULATE THE DISCHARGE AND DISMISSAL OF RAILWAY EMPLOYEES.

638. ***Mr. K. P. Thampan:** Will Government be pleased to state:

- (a) whether it is a fact that the Railway Board have issued a Circular to the Agents of the Company-managed Railways, asking them to report on the result of the working of the rules framed by them to regulate the discharge and dismissal of railway employees, and inviting modifications therein;
- (b) whether any reports have been received from the Agents, and, if so, from whom; and
- (c) whether they are prepared to place such reports on the table of this House?

Mr. P. R. Rau: (a) No. Such a circular was addressed to State-managed Railways only. Company-managed Railways were asked for their remarks on certain alterations proposed by the Railway Board to the rules regulating the discharge and dismissal of non-gazetted Government servants.

(b) No reports have yet been received.

(c) The question will be considered in due course when the reports are received.

EXPIRY OF THE CONTRACT OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

639. ***Mr. K. P. Thampan:** Will Government be pleased to state:

- (a) when the contract of the Madras and Southern Mahratta Railway expires; and
- (b) if they propose taking it over under State-management on the expiry of the contract?

Mr. P. R. Rau: (a) The present contract expires on the 31st December, 1937.

(b) The question has not been considered yet.

Mr. K. P. Thampan: May I know if there is any notice for termination of the contract?

Mr. P. R. Rau: 12 months.

Mr. K. P. Thampan: Will Government give the House an opportunity to give its opinion on this subject before a final decision is arrived at?

The Honourable Sir Joseph Bhoré: We will consider that matter.

ORDER FOR TEAK SCANTLINGS PLACED BY THE AGENT, MADRAS AND SOUTHERN MAHRATTA RAILWAY.

640. ***Mr. K. P. Thampan:** (a) Will Government be pleased to state if it is a fact that in February or March this year, the Agent of the Madras and Southern Mahratta Railway placed a large order for teak scantlings with some outside firms? If so, what are the names of those firms?

(b) Are Government aware that a huge saw mill has recently been erected by the Madras and Southern Mahratta Railway at Perambhur, equipped with all the latest machinery?

(c) What is the cost incurred on the construction of the said saw mill?

(d) Are there any special reasons for placing the orders for teak scantlings with outside contractors?

Mr. P. R. Rau: I have called for the information from the Madras and Southern Mahratta Railway and on receipt will lay it on the table.

SERVICES OF RAILWAY EMPLOYEES PROSECUTED FOR CRIMINAL OFFENCES BUT FOUND NOT GUILTY.

641. ***Mr. K. P. Thampan:** (a) What is the policy of the Railway Board in regard to the services of employees who are prosecuted for criminal offences but found not guilty by competent courts? Will a man honourably acquitted be discharged from service?

(b) Is it a fact that one, S. B. Balasubramanyan, lately store clerk at Arisikarai on the Madras and Southern Mahratta Railway, was prosecuted before a magistrate at Bangalore on a charge of breach of trust in regard to a few engine boiler tubes, and was honourably acquitted as no case was made out?

(c) Is it a fact that in spite of the acquittal the man was discharged from service though he had put in nearly ten years' service?

(d) Is it a fact that when he applied for reinstatement, the Chief Transportation Superintendent and Traffic Manager wrote to him that although he was acquitted, there had been a "miscarriage of justice" in his case?

(e) Do Company-managed Railways follow a different policy in regard to such matters from that laid down by the Railway Board?

Mr. P. R. Rau: (a) The action taken depends on the circumstances of each individual case. Acquittal or discharge in judicial proceedings is not necessarily a bar to departmental action. It may be undesirable to keep a man in Government service even though he has been acquitted on a criminal charge.

(b), (c) and (d). Government have no information.

(c) So far as I am aware, Company-managed Railways also consider the circumstances of each individual case in deciding on the action to be taken.

Mr. K. P. Thampan: With reference to (d), I want to know whether the Government do not consider that if it is said that there is a miscarriage of justice even in such cases where an accused is honourably acquitted by a Court it is tantamount to contempt of Court?

Mr. P. R. Rau: I do not think the Government of India are concerned with that aspect of the case. If there is any contempt of Court, the proper Court would take cognizance of it.

Mr. S. C. Mitra: Will Government please inquire whether there was any application to the High Court for review of that judgment against acquittal, if the railway authorities think that the judgment is wrong?

Mr. P. R. Rau: Even if the persons concerned think that the judgment is wrong it does not follow that they will always take the necessary steps to appeal against it.

Mr. S. C. Mitra: It is said that there has been a miscarriage of justice. Is it not fair that there should be an appeal to the High Court to set aside that judgment?

Mr. P. R. Rau: I have no objection to obtain the information for the Honourable Member.

SELECTION OF SENIOR GRADE OFFICERS FROM THE BOMBAY GRENADIERS, AJMER.

642. *Mr. S. C. Mitra: (a) Are Government aware that as many as eight candidates appeared before the Unit Advisory Committee of the 11/4th Bombay Grenadiers, Ajmer, held in August, 1933, for selecting four senior grade officers?

(b) Is it a fact that only one vacancy was filled up? If so, why?

(c) Is it a fact that most of the candidates possessed superior qualifications and were of better status in life than the selected candidate?

(d) Can Government give any reasons for selecting this candidate in preference to others?

(e) Are Government aware that the selected candidate is an unemployed acqaintance of one of the members of the Committee?

(f) Will Government be pleased to state what was the criterion on which the selection was based?

(g) Will Government please lay on the table a copy of the report of the Unit Advisory Committee?

(h) Is it a fact that the Committee was influenced in its decision by the consideration that only martial classes should be given preference in the Indian Territorial Force? If so, was it not in contravention of the avowed policy of Government with respect to the admission of the non-martial classes to the Indian Territorial Force?

Mr. G. R. F. Tottenham: With your permission, Sir, I propose to answer questions Nos. 642 to 645 together.

Information has been called for from the local military authorities and a reply will be laid on the table in due course.

SELECTION OF SENIOR GRADE OFFICERS FROM THE BOMBAY GRENADIERS, AJMER.

†643. ***Mr. S. C. Mitra:** (a) Will Government please state how many candidates, and of what class, have been selected in the senior grade of officers in the 11/4th Bombay Grenadiers, Ajmer, since July, 1931?

(b) Will Government please lay on the table a statement showing the names and qualifications of all other candidates who appeared before the Unit Advisory Committee since the above date?

MEMBERSHIP OF MR. GANPATI SINGH OF THE UNIT ADVISORY COMMITTEE OF THE BOMBAY GRENADIERS, AJMER.

†644. ***Mr. S. C. Mitra:** (a) Are Government aware that Mr. Ganpati Singh of Kharwa is continuing to act as a member of the Unit Advisory Committee of the 11/4th Bombay Grenadiers, Ajmer, for the last two or three years, although the regulations provide that the nominations be made annually?

UNIT ADVISORY COMMITTEE OF THE BOMBAY GRENADIERS, AJMER.

†645. ***Mr. S. C. Mitra:** Are Government aware that the representative of the 11/4th Bombay Grenadiers, Ajmer, on its Unit Advisory Committee has always been a junior grade officer and not a senior grade officer? If so, will Government state why a senior grade officer is not nominated on the Committee which sits to elect senior grade officers?

TYPISTS IN THE GOVERNMENT OF INDIA SECRETARIAT.

646. ***Mr. Gaya Prasad Singh:** (a) With reference to the starred question No. 520(ii) on the 12th March, 1930, and the reply given thereto, will Government please state whether the clerks who qualified as "Secretariat Typists" in 1920 and 1921, and who did not hold permanent appointments in the Lower Division when the Third Division was created in June 1924, were given any warning before the examination concerned that they will not be eligible for the scale of pay of Rs. 100—8—300, published for them in the notification containing the conditions of their examination, on creation of the Third Division? If not, why not?

(b) Is it a fact that the condition of possessing the Intermediate Certificate or of equivalent qualifications was imposed on them also in the last qualifying examination held by the Public Service Commission in 1929 and in view of the condition they could not appear at the said examination for qualifying themselves for the Lower Division?

(c) Is it a fact that no condition of educational qualification was imposed on permanent clerks in the Lower Division in the examination referred to in part (b) above, and that men with non-Matric and Matric standards were accepted for admission to the said examination? If so, what are the reasons for this differential treatment?

† For answer to this question, see answer to question No. 642.

(d) What is the number of clerks qualified as "Secretariat Typists" at present working in the Government of India Secretariat and in what grades?

The Honourable Sir Harry Haig: (a) No examination was held for Secretariat typists as such in 1920 or 1921. I understand that this category was introduced at the examination held in 1922. No warning was given as the question of creating a Third Division had not then arisen.

(b) The condition applied to all Third Division clerks in the Secretariat other than those who had, at a previous examination, qualified for the Second Division. No information is readily available whether any of these clerks qualified as Secretariat typists in 1922, and, if so, whether they were affected by the condition or not.

(c) Yes. As under the rules, the Second Division is a normal source of recruitment to the First Division, Second Division clerks were admitted to the qualifying examination held in 1920, irrespective of their educational qualifications. The Third or Routine Division, on the other hand, forms a self-contained branch or section and is not in any sense a training ground for the Second Division. Accordingly Third Division clerks were not ordinarily eligible to appear at the examination in question. An exception was, however, made in favour of such Third Division clerks as had passed the Intermediate Examination, because it was considered unfair to deprive these clerks of the opportunity they had until then possessed of qualifying for the Second Division.

(d) I regret I am unable to undertake to collect the information as the labour involved would be incommensurate with the results.

BRITISH ECONOMIC EXPERTS INVITED BY THE GOVERNMENT OF INDIA.

647. ***Mr. Gaya Prasad Singh:** (a) Will Government please give the names and qualifications of the British economic experts, and of any others who may have been associated with them, who were invited by Government to investigate their statistical methods in an economic survey of India?

(b) What were their terms of reference?

(c) Have they submitted their report, and, if so, when will it be available to this House?

The Honourable Sir George Schuster: I would refer the Honourable Member to the Report of the British Economists which will shortly be published. I am having a copy sent to all Members of the Legislature. The names and qualifications of the British Economists and their Indian associates and their terms of reference are stated in the introductory section of the Report.

Mr. B. Das: May I inquire if the recommendations of these economic experts were placed before the representatives of the Provincial Governments that gathered in Delhi, and if any action has been taken by them on it.

The Honourable Sir George Schuster: I was able to get certain advance copies of the report which I put before the representatives of the Conference which has just terminated. We had a preliminary discussion on

it, but a good many of the recommendations regarding economic inquiries require careful consideration and they will be submitted to the Provincial Governments for their views as soon as possible.

Mr. B. Das: May I also inquire whether the Honourable Member's successor will carry on the policy in this matter after his retirement?

The Honourable Sir George Schuster: Will my Honourable friend tell me what that policy is?

Mr. B. Das: May I inquire whether the successor of my Honourable friend will carry on the economic planning policy of the present Chancellor of the Exchequer?

The Honourable Sir George Schuster: I again ask the Honourable Member to state what that policy is.

Mr. B. Das: Is it not a fact that the Honourable the Finance Member who, at the fag end of his career in this House, has brought about a planned economy for India whereby he thinks that the millennium will be restored and prosperity

Mr. President (The Honourable Sir Shanmukham Chetty): The question does not arise now.

PAY OF THE ASSISTANT CONTROLLERS ON THE NORTH WESTERN RAILWAY.

648. ***Mr. Lalchand Navalrai:** (a) Will Government be pleased to state what pay the Assistant Controllers of the North Western Railway were drawing at the time when they were lately re-confirmed?

(b) Is it a fact that their scale of pay was cut down immediately on their re-confirmation?

(c) Are Government aware that their reconfirmation was ordered after the Railway Board advised the Agent, North Western Railway to do so?

(d) What justification was there for readjusting their salaries and how much loss do they suffer in their salaries and allowances by the introduction of the new scale?

(e) Do Government propose to ask the North Western Railway Agent to reconsider the position and allow them to draw the salary they were drawing at the time of their first confirmation? If not, why not?

Mr. P. R. Rau: I have called for the information, and will place a reply on the table in due course.

Mr. Lalchand Navalrai: Will it take time to get that information?

Mr. P. R. Rau: I cannot say.

RENT-FREE QUARTERS, ETC., FOR CERTAIN ASSISTANT CONTROLLERS ON THE NORTH WESTERN RAILWAY.

649. ***Mr. Lalchand Navalrai:** Is it a fact that some of the Assistant Controllers on the North Western Railway who were recruited or transferred prior to the 1st August, 1928, were entitled to the concession of

rent-free quarters or house allowance if the posts to which they were so transferred carried the concession of rent-free quarters, according to the North Western Railway Agent's letter No. 540-E./O., dated the 2nd/3rd October, 1928? If so, is that rule being strictly followed? If not, why not?

Mr. P. R. Rau: The Agent, North Western Railway, reports that those members of the staff who were in service on the 1st August, 1928, and who at any time in the course of their previous service held a post which carried the privilege of rent-free quarters or house allowance in lieu of free quarters either in a substantive or officiating capacity, will continue to enjoy this privilege if in course of their subsequent service on and from the 1st August, 1928, they are transferred or promoted to posts which carried the same concession prior to the 1st August, 1928, and that this ruling is applicable to Assistant Controllers as well as to other staff.

He is unaware of any cases where these rules are not being acted upon as regards Assistant Controllers.

Mr. Lalchand Navalrai: Is it a fact that some Controllers are not being given the quarters rent-free, even though the rule applies to them?

Mr. P. R. Rau: I had better read the last sentence of my reply again: He (the Agent) is unaware of any cases where these rules are not being acted upon as regards Assistant Controllers.

Mr. Lalchand Navalrai: Have no applications been made making a protest?

Mr. P. R. Rau: Apparently not.

ABSENCE OF WAITING ROOMS AT THE RAJGHAT RAILWAY STATION.

650. ***Diwan Bahadur Harbilas Sarda:** (a) Are Government aware that Rajghat Station on the East Indian Railway situated on Aligarh-Bareilly Branch Line (between Aligarh and Chandausi) has no waiting room for first and second class and inter class passengers?

(b) Are Government aware that the Rajghat Railway Station is important inasmuch as thousands of people from surrounding districts visit Rajghat at least twice a month to bathe in the holy waters of the Ganges?

(c) Are Government aware that upper class passengers are put to inconvenience owing to the absence of a waiting room on the Rajghat Station in the Bulandshahr district?

(d) Are Government aware that a bathing fair takes place at Rajghat every year on the Kartik Puranmashi when a large number of people assemble there?

(e) Do Government propose to ask the East Indian Railway authorities to provide waiting rooms for first, second and inter class passengers at Rajghat station?

Mr. P. R. Rau: I would refer the Honourable Member to the information laid on the table of the House, on the 13th February, 1934, in reply to question No. 1088 asked by Rai Bahadur Kunwar Raghubir Singh on the same subject.

RADIO LICENSES IN INDIA.

651. ***Kunwar Hajee Ismail Ali Khan:** (a) What was the total number of radio licenses in India on 31st December, 1933?

(b) What is the income from customs duty on radio goods?

(c) What is the total net expenditure on broadcasting (i) at Calcutta station (ii) at Bombay station?

(d) For what purpose is the surplus income from customs duty on radio and licence fees used?

(e) What has been the surplus income from the two sources mentioned in part (d) during the last three years?

(f) What measures are Government adopting to catch and punish radio pirates who pay no licensing fees?

The Honourable Sir Frank Noyce: (a) Approximately 10,950.

(b) In 1932-33, the total income from customs duties was Rs. 2,44,000. The budget estimate for 1933-34, is Rs. 2,25,000.

(c) In 1932-33, the net expenditure was:

	Rs.
Calcutta Station	1,03,903
Bombay Station	1,10,555
Total	2,14,458

(d) The total receipts from these sources are credited to general revenues and the amounts due to "Broadcasting" are allotted to that head. Any unforeseen surplus is retained to the credit of General Revenues.

(e) During 1930-31 and 1931-32, the Service ran at a loss of Rs. 1,65,710 and a loss of Rs. 1,09,506 respectively, but during 1932-33, there was a profit of Rs. 80,649. The accounts for 1933-34, will not be available for some time, but it is expected that there will be a profit.

(f) In pursuance of rules made under the Indian Wireless Telegraphy Act, 1933, Inspectors are being appointed in certain areas whose duties will comprise the detection and prosecution of wireless pirates.

Mr. Amar Nath Dutt: Have Government appointed any Inspectors under the Indian Wireless Telegraphy Rules, 1933, to check the unlicensed possession of wireless instruments in Calcutta?

The Honourable Sir Frank Noyce: I should like to have notice of that question. All I can say is that inspectors are being appointed. Whether the appointments have actually been made or not yet, I cannot say.

Mr. M. Maswood Ahmad: Would it not be better to collect these license fees through the sellers of these instruments?

The Honourable Sir Frank Noyce: License fees are collected through the Posts and Telegraphs Department. Licenses can be obtained and are being obtained from that Department.

Dr. Ziauddin Ahmad: What was the answer to part (c) of the question?

The Honourable Sir Frank Noyce: The answer to part (c) of the question was:

In 1932-33, the net expenditure was:

	Rs.
Calcutta Station	1,03,903
Bombay Station	1,10,555
Total	2,14,458

Mr. M. Maswood Ahmad: Will Government be pleased to state whether they collect these license fees through the purchasers of these instruments or through the sellers of these instruments?

The Honourable Sir Frank Noyce: The purchaser of a wireless set has to obtain a license for it which he can do from the Posts and Telegraphs Department. The dealer in wireless apparatus also has to have a license for selling. I would refer the Honourable Member to the provisions of the Act which was recently passed.

Mr. Lalchand Navalrai: Are there any rules made with regard to the granting of licenses?

The Honourable Sir Frank Noyce: Rules have been made. I would refer the Honourable Member to the Indian Wireless Telegraphy Rules, 1933.

Mr. Lalchand Navalrai: Are no rules made for the license fee charges to be obtained from the licensee or those who sell the instruments?

The Honourable Sir Frank Noyce: I shall be glad to place a copy of the Rules in the Library of the House and they will give my Honourable friend all the information he wants.

Kunwar Hajee Ismail Ali Khan: May I know if the Inspectors are appointed in Calcutta only or all over India?

The Honourable Sir Frank Noyce: They are being appointed in the areas for which they seem to be specially required. To the best of my recollection, Calcutta and Bombay have been selected as the venue for their operations in the first instance.

Mr. Amar Nath Dutt: May I know whether in the case of the Inspectors who have been already appointed, their posts were advertised in some of the papers, and whether the posts to which men will in future be appointed will be advertised in the papers?

The Honourable Sir Frank Noyce: I am afraid I must ask for notice of that question.

Sir Darcy Lindsay: Have Government considered the possibility of securing the assistance of, and of entering into arrangements with, the dealers in the matter of the issue of licenses?

The Honourable Sir Frank Noyce: I think so, Sir. The whole idea of the new Act and Rules was to ensure their assistance in these matters.

Mr. Gaya Prasad Singh: Do I understand that these broadcasting stations are now paying their own way after the Act which we passed last time?

The Honourable Sir Frank Noyce: Always provided that the income from customs duties is included. If it is not included, they do not pay their way.

Mr. Amar Nath Dutt: May I know the scales of pay of these Inspectors and the method of their recruitment?

The Honourable Sir Frank Noyce: I must ask for notice of that question. I am afraid I do not know all the details about the appointments of these Inspectors.

Mr. K. P. Thampan: May I know if there is any proposal to improve broadcasting in Madras?

The Honourable Sir Frank Noyce: We are in communication with the Government of Madras. I do not know what proposals they themselves have to make on the point.

ERECTION OF A BROADCASTING STATION IN NORTHERN INDIA.

652. *Kunwar Hajee Ismail Ali Khan: (a) When are Government going to take up broadcasting in the same serious spirit as the rest of the civilised nations of the world?

(b) Why is Delhi, the capital of India, without a broadcasting station when every other capital in the world has at least one?

(c) Are Government aware that for more than six months in the year most of the listeners are without any instruction or entertainments on account of the bad reception during that period?

(d) Have Government any intention to establish a broadcasting station in Northern India to meet the popular demand of the public?

(e) Is it a fact that Government received an offer from B.B.C. of a free transmitter for village broadcasting in this country?

(f) If the answer to part (e) be in the affirmative, do Government propose to take up village broadcasting in the near future?

(g) If there is no likelihood of a new broadcasting station being erected in Northern India in the near future, are Government prepared to increase the power of the present existing station by at least twice?

The Honourable Sir Frank Noyce: (a) The question of extending the broadcasting service to various parts of India has been engaging the attention of the Government of India for some time and they are in correspondence with certain Local Governments on the subject.

(b) Hitherto financial considerations have not permitted of the construction and operation of a broadcasting station in Delhi. The details of the installation are, however, now under consideration, and I hope the work of construction will be begun during the current year.

(c) Government are aware that long-distance reception in India suffers from considerable interference during certain portions of the year.

(d) The matter is under consideration, *vide* my reply to part (b) above.

(e) The Government of India have received no such offer.

(f) Does not arise.

(g) Government do not propose to increase the power of the existing broadcasting stations at Calcutta and Bombay. It is probable that reception in parts of India remote from Calcutta and Bombay will be improved by the provision of local broadcasting stations at certain selected places in other provinces, such as Delhi.

Mr. Lalchand Navalrai: May I know if there is any correspondence going on with regard to my place, Karachi, and whether there is any likelihood of there being a broadcasting station in Karachi?

The Honourable Sir Frank Noyce: No, Sir. We have received no proposals or suggestions on that point.

Mr. Lalchand Navalrai: Do Government contemplate having it at Karachi?

The Honourable Sir Frank Noyce: Not at the moment, Sir.

Mr. B. Das: May I inquire if facilities will be given by Government to Honourable Members seeking election to utilise broadcasting at the next elections which are coming shortly?

The Honourable Sir Frank Noyce: No, Sir.

Mr. B. Das: Is it not the practice in England that candidates for election resort to broadcasting to a large extent and are afforded facilities?

The Honourable Sir Frank Noyce: Emphatically no, Sir.

Kunwar Hajee Ismail Ali Khan: May I know if it is not an injustice that persons, living far away from Bombay or Calcutta who cannot thus enjoy the full programme, should be charged the full fee by the Government?

The Honourable Sir Frank Noyce: In the first place, the fee is very small, and, in the second place, the Honourable Member might, I think, realise that the installation of broadcasting in Delhi will improve his position in this respect; at least I hope so.

LEAVE FACILITIES TO CLERKS IN THE RAILWAY AUDIT DEPARTMENT TO PREPARE FOR THE RAILWAY SUBORDINATE AUDIT SERVICE EXAMINATION.

653. *Mr. M. Maswood Ahmad: Will Government be pleased to state whether in the Railway Audit Department, they give or propose to give leave facilities to clerks of that Department, if they so desire, to prepare for the Railway Subordinate Audit Service Examination? If not, why not?

The Honourable Sir George Schuster: The rules do not provide for leave to be granted to clerks preparing for the Railway Subordinate Audit Service Examination. Whenever ordinary leave is due, leave facilities are given if the exigencies of the public service permit.

Mr. M. Maswood Ahmad: Are Government aware that although some amount of ordinary leave may be due, still the candidates find a lot of difficulty in getting that leave for preparing for the examination?

The Honourable Sir George Schuster: I have no personal information on the subject.

Mr. M. Maswood Ahmad: Will Government be pleased to inquire into this matter from the Clearing Account Office of the Railways?

The Honourable Sir George Schuster: Yes, I will make inquiries.

TENDERS FOR TREASURY CONTRACTS FOR THE BOMBAY AND POONA POST OFFICES.

654. ***Mr. M. Maswood Ahmad:** (a) Will Government be pleased to state whether it is a fact that tenders for Post Office Treasury contracts for Bombay and Poona Post Offices for a term of five years commencing from 1st April, 1935, were called for by the Postal authority, Bombay, nearly 15 months before the date on which the contract was to begin?

(b) Is it a fact that ordinarily such tenders are called for at the most six months before the date on which the contract is supposed to run?

(c) Is it a fact that the old contractor made an application to the Postal authority, Bombay, to settle the question of the treasury contract before the Postmaster General's departure as Chairman of the Postal Retrenchment Committee to Delhi on the 28th February, 1934?

(d) Is it also a fact that the Postal authority, Bombay, made a recommendation that the old contractor be given the contract on the old terms, or tenders be called for before his departure?

(e) Is it a fact that tenders were called for and opened by the Postal authority himself on the 27th February, 1934, and no other officer of the Department was allowed to be present?

(f) Is it a fact that on the day following the opening of the tenders the information regarding the amount of tenders leaked out, and that the lowest tenderer brought this fact to the notice of the Postmaster General in writing?

(g) Are Government aware that the lowest tenderer, Mr. B. N. Poojani, lodged a complaint to the effect that the present contractor through his agent approached him to withdraw his tender in return of a substantial amount as compensation?

(h) If the answer to part (g) be in the affirmative, will Government kindly state (i) how the information about the tenders leaked out and (ii) how the present contractor came to know of the name of the lowest bidder?

(i) Do Government propose to institute an enquiry into the allegations made by Mr. B. N. Poojani and call for fresh tenders? If not, why not?

The Honourable Sir Frank Noyce: (a) The fact is substantially as stated.

(b) No. A notice calling for tenders is ordinarily issued not less than a full year before the expiry of the current contract. The head of a circle has, however, discretion to reduce this period if the circumstances of the contract appear to him to warrant his doing so. In special cases, a notice of tender can be issued more than a year in advance of its expiry with the previous approval of the Director-General. This was done in the present case.

(c) and (d). No.

(e) The tenders were opened by the Postmaster-General, Bombay, on the 27th February, 1934, in the presence of an Assistant Postmaster-General and two of the tenderers.

(f) No.

(g) Yes, a complaint was received by the Postmaster-General on the 20th March, 1934.

(h) On an enquiry made by the Postmaster-General, Bombay, the allegation was found to be baseless.

(i) Does not arise in view of the reply to part (h).

Mr. M. Maswood Ahmad: May I know, Sir, how many Assistant Postmasters-General are in Bombay?

The Honourable Sir Frank Noyce: My Honourable friend, the Financial Adviser to the Posts and Telegraphs Department, tells me that there are about six.

Mr. M. Maswood Ahmad: Will the Honourable Member be pleased to state in whose presence the tender was opened in the office of the Postmaster-General?

The Honourable Sir Frank Noyce: I only know that it was opened in the presence of an Assistant Postmaster-General and two of the tenderers. I cannot tell the Honourable Member off-hand who the Assistant Postmaster-General was.

Mr. M. Maswood Ahmad: The question in part (e) runs:

"Is it a fact that tenders were called for and opened by the Postal authority himself on the 27th February, 1934, and no other officer of the Department was allowed to be present?"

My Honourable friend has replied that one Assistant Postmaster-General was present. May I know the name of the Assistant Postmaster-General who was present at the time of the opening of the tender in the office?

The Honourable Sir Frank Noyce: I shall be glad to give my Honourable friend the name of the Assistant Postmaster-General. I have not got it here, but I shall be very glad to place the information in due course on the table of the House.

Mr. M. Maswood Ahmad: Is it a fact that Mr. B. N. Poojani lodged a complaint that some entries in the tender were shown to other contractors?

The Honourable Sir Frank Noyce: I have replied that a complaint was received by the Postmaster-General on the 20th March, 1934. I may explain to the House that I have gone into the facts of the case and that the procedure adopted appears to be perfectly regular.

Mr. M. Maswood Ahmad: The question in part (g) was very clear. It ran:

"Are Government aware that the lowest tenderer, Mr. B. N. Poojani, lodged a complaint to the effect that the present contractor through his agent approached him to withdraw his tender in return of a substantial amount as compensation?"

I want to know what action was taken on this complaint?

The Honourable Sir Frank Noyce: The Honourable Member says that the question in part (g) was perfectly clear and I venture to think that my reply to it was also equally clear. My reply was that a complaint was received by the Postmaster-General on the 20th March, 1934—obviously from Mr. Poojani himself—and that the Postmaster-General made inquiries into that complaint and found that the allegations contained in it were baseless.

Mr. M. Maswood Ahmad: May I know what were the special reasons that this time the tenders were called for 15 months earlier?

The Honourable Sir Frank Noyce: I am afraid I must ask for notice of that question. As I said, it was done with the approval of the Director-General, who, I have no doubt whatever, satisfied himself that the circumstances warranted it.

Dr. Ziauddin Ahmad: May I understand that no compensation was paid to any person who offered a tender as is implied in these questions?

The Honourable Sir Frank Noyce: I am sorry I do not follow my Honourable friend's question. No question of compensation arose.

FUNCTIONS AND STATUS OF THE REFORMS OFFICE.

655. *Mr. K. P. Thampan: (a) What are the functions of the Reforms Office and what is its status?

(b) Is it a department of the Government of India or an attached office? If the former, who is the Honourable Member in charge? If the latter, to which department is it attached?

(c) Is it a fact that Sir James Dunnett, the Reforms Commissioner, has been on deputation to the said office? If so, for how long and what is the work on which he is employed and when is he expected back?

The Honourable Sir Brojendra Mitter: (a) and (b). The function of the Reforms Office is to deal with matters relating to constitutional Reform. It has the status of a regular Department of the Government of India, and discharges its duties under His Excellency the Viceroy. The Head of the Office is the Reforms Commissioner with the status of a Secretary to Government.

(c) Sir James Dunnett, was in charge of the Reforms Office from its creation in May, 1930 till May, 1932. He has since been employed on constitutional work in the India Office. No decision has been taken regarding the date of his return.

Mr. K. P. Thampan: May I know how long this Department is likely to be retained?

The Honourable Sir Brojendra Mitter: I cannot give a definite reply, but I suppose it will be kept till the constitutional reforms are ready.

Mr. K. C. Neogy: With reference to part (b), may I know whether His Excellency the Viceroy is technically the Member in charge of this Department?

The Honourable Sir Brojendra Mitter: Yes, Sir. That is the effect of my answer.

Mr. K. C. Neogy: With reference to part (c), may I know the kind of constitutional work on which Sir James Dunnett is at present engaged?

The Honourable Sir Brojendra Mitter: He is in the India Office, and, as Honourable Members are aware, the Joint Select Committee is still functioning and various questions of detail crop up. Sir James Dunnett is employed in working out those details in the India Office and in assisting the Secretary of State.

Mr. K. C. Neogy: Is he supposed to be working as the accredited representative and interpreter of the Government of India?

The Honourable Sir Brojendra Mitter: No, Sir. When any question arises, it is cabled to us in India and the Government of India consider the various aspects of it. Sir James Dunnett has been working on several Sub-Committees which have been appointed to consider various points which have arisen in the course of the Joint Select Committee's deliberations, but he is not the accredited agent of the Government of India in his work there.

Mr. K. C. Neogy: Do I take it that his services have practically been placed at the disposal of the India Office?

The Honourable Sir Brojendra Mitter: That is so.

Mr. K. C. Neogy: Does he continue to draw his salary from the Indian Exchequer?

The Honourable Sir Brojendra Mitter: It must be from the Indian Exchequer, but who pays him and from what fund, I do not know.

Mr. K. C. Neogy: Is it my Honourable friend, Sir George Schuster, who has to find the money or is it the India Office?

The Honourable Sir Brojendra Mitter: I should suppose Sir George Schuster will have to find money eventually.

WHOLE-TIME STENOGRAPHERS FOR THE UNDER SECRETARY AND THE ASSISTANT SECRETARY IN THE INDUSTRIES AND LABOUR DEPARTMENT.

656. ***Mr. K. P. Thampan:** (a) Will Government be pleased to state the designation of officers in the different departments of the Government of India to whom stenographers are attached for their exclusive use?

(b) Is it a fact that in the Department of Industries and Labour junior officers like Under-Secretary and Assistant Secretary have been provided with whole time Secretariat stenographers?

(c) Is there any other department in which an Under-Secretary or an Assistant Secretary has got a stenographer for his exclusive use? If not, why has it been necessary in the case of the Under-Secretary and Assistant Secretary in the Industries and Labour Department?

(d) Is it a fact that all the stenographers in the Secretariat are officially known as personal assistants to the officers to whom they are attached? If so, why?

The Honourable Sir Harry Haig: (a) I lay a statement on the table.

(b) Yes.

(c) The answer to the first part is in the affirmative in so far as it relates to stenographers for Under-Secretaries. No other Department except the Industries and Labour Department (Industries Branch) has a stenographer for the exclusive use of an Assistant Secretary. A stenographer has been considered necessary for this officer, because he is in charge of two regular branches, submits cases direct to the Joint Secretary, and requires a stenographer to economise his time.

(d) No.

Statement showing the designation of officers in the various Departments of the Government of India to whom stenographers are attached for their exclusive use.

Department.	Designation of officers.
Home Department	Home Member, Secretary, Joint Secretary, Deputy Secretary.
Foreign and Political Department .	Political Secretary, Foreign Secretary, Joint Secretary, Additional Deputy Secretary.
Finance Department	Finance Member, Secretary, Additional Secretary, Deputy Secretary, Budget Officer, Under Secretary.
Legislative Department	Law Member.
Army Department	His Excellency the Commander-in-Chief, Secretary, Deputy Secretary.
Department of Education, Health and Lands.	Member-in-Charge of the Department, Secretary, Joint Secretary, Educational Commissioner with the Government of India, Deputy Secretary, Additional Deputy Secretary.
Department of Industries and Labour.	Member in charge of the Department, Secretary, Joint Secretary, Deputy Secretary, Under Secretary, Assistant Secretary (Industries Branch).
Department of Commerce. . . .	Member for Commerce and Railways, Secretary, Joint Secretary, Deputy Secretary.
Military Finance Department .	Financial Adviser, Military Finance.
Legislative Assembly Department .	President of the Legislative Assembly, Secretary
Imperial Council of Agricultural Research Department.	Vice-Chairman, Agricultural Expert, Animal Husbandry Expert, Secretary. (The status of the Secretary is that of an Assistant Secretary of a Department of the Government of India).
Reforms Office	Reforms Commissioner and Deputy Secretary.
Railway Department* (Railway Board).	(1) Chief Commissioner of Railways, (2) Financial Commissioner of Railways, (3) Member, Railway Board, (4) Controller of Central Standardisation, (5) Director of Traffic, (6) Director of Civil Engineering, (7) Director of Finance, (8) Director of Establishment, (9) Secretary, (10) Deputy Director, Traffic (Commercial), (11) Deputy Director, Traffic (Transportation), (12) Deputy Director, Establishment, (13) Deputy Director, Finance, (14) Deputy Director, Mechanical Engineering.

* The status of officers mentioned at Nos. (1) to (3), (4) to (9) and (10) to (14) corresponds respectively to that of a Secretary, Deputy Secretary and Under Secretary in a Department of the Government of India.

Mr. B. Das: May I inquire if some of the stenographers are lady clerks or is it only the privilege of the Army Secretary's Department to have lady stenographers?

The Honourable Sir Harry Haig: I am afraid I am not in a position to answer for all the Departments of the Government of India.

UNSTARRED QUESTIONS AND ANSWERS.

PROMOTION OF ROUTINE CLERKS OF THE RAILWAY CLEARING ACCOUNTS OFFICE.

310. Mr. S. C. Mitra: (a) Is it a fact that all the routine clerks of the compilation branch, in the office of the Chief Accounts Officer, North Western Railway, Lahore, have been promoted to the grade of clerks class III?

(b) Is it a fact that the majority of the routine clerks of the Railway Clearing Accounts Office have rendered more than seven years efficient and approved service and are still awaiting promotion to the grade of clerks class III?

(c) Are Government aware that the general order of the Controller of Railway Accounts applies only to the routine clerks of the Chief Accounts Officer, North Western Railway, Lahore, and not to the routine clerks of the Railway Clearing Accounts Office? If so, why?

(d) Is it a fact that the present Controller of Railway Accounts was the Director of the Railway Clearing Accounts Office when the rules for promotions of the routine clerks were framed?

(e) Is it a fact that twice memorials were submitted by the routine clerks of the Railway Clearing Accounts Office, setting forth their real grievances, and that both times the Controller of Railway Accounts rejected all the memorials and did not at all forward them to the Financial Commissioner, Railways, to whom the memorials were addressed?

(f) Is it a fact that the Controller of Railway Accounts rejected the memorials of the routine clerks of the above office?

(g) Do Government propose to look especially into the case of the suffering routine clerks of the Railway Clearing Accounts Office, Delhi, and to order their promotion to the grade of the clerks class III as soon as the waiting list of class C men is exhausted?

Mr. P. R. Rau: (a) No.

(b) 40 out of 76 punchers and dak distributors have rendered more than seven years' service. Four of them are at present officiating as clerk Class III. It cannot be said that the remainder are all fit for promotion.

(c) It is not clear to what general orders of the Controller of Railway Accounts my Honourable friend is referring. If the reference is to certain promotions made in the compilation branch of the Chief Accounts Officer, North Western Railway, I may state for information that certain men transferred to the accounts office from the agency along with the work were given the promotions admissible under the rules applicable to them.

(d) Yes.

(e) and (f). I would refer my Honourable friend to the reply I gave on the 3rd April, 1934, to part (a) of question No. 283 asked by Mr. S. G. Jog. The memorials were disposed of finally by the Controller of Railway Accounts.

(g) The rules already provide for promotion of deserving routine clerks to higher clerical grades and I have no doubt the cases of deserving men will receive attention.

DELAY IN THE DELIVERY OF A BAG CONTAINING AIR MAIL LETTERS AT THE AERODROME IN DELHI.

311. **Mr. Badri Lal Rastogi:** (a) Is it a fact that a bag containing air mail letters was handed over by the Postmaster, Delhi, to certain Town Inspectors on the 29th October, 1933, for delivery to the officer in charge of the aerodrome, and that this bag was not included with the air mail despatched on that date thus causing its detention by one week? If so, who was responsible for this and how did it happen?

(b) If so, what action, if any, has been taken against the officials concerned?

(c) Has the matter been brought to the notice of the Postmaster General, Lahore?

The Honourable Sir Frank Noyce: (a) 14 air mail letters (not a bag), which were handed over to a Town Inspector of the Delhi Head Office to be conveyed to the New Delhi post office and handed over to the Inspector there for despatch by air mail, were not handed over owing to the carelessness of an Inspector of the Delhi Head Office. The letters were later despatched by train to Calcutta for onward transmission to destinations by the next available means of mail communication.

(b) The officials concerned have been warned.

(c) No; but a copy of the question and of this reply is being sent to the Postmaster-General.

BONUS ON POSTAL INSURANCE POLICIES.

312. **Mr. Badri Lal Rastogi:** When do Government propose to declare the bonus on Postal Insurance Policies for the quinquennium 1927—1932? What is the cause of so much delay?

The Honourable Sir Frank Noyce: The bonus on Postal Insurance Policies for the quinquennium 1927—32 will be declared shortly. The bonus is declared after the quinquennial valuation of the Fund. The Government Actuary on whom devolves the preparation of the quinquennial valuation report and who is also charged with the supervision of insurance companies in India has at his disposal a comparatively small staff. The preparation of the valuation report of the Post Office Insurance Fund is a very heavy item of work and with the small staff at the disposal of the Actuary it must inevitably take a considerable time for its completion.

**COMMUNAL COMPOSITION OF CLERKS OF THE CHIEF AUDITOR'S OFFICE,
RAILWAY CLEARING ACCOUNTS, DELHI.**

313. Mr. M. Maswood Ahmad: Will Government be pleased to state the communal composition of the clerks of the Chief Auditor's Office, Railway Clearing Accounts, Delhi, as it stood on the 1st May, 1929, and 1st April, 1930, 1931, 1932, 1933 and 1934?

The Honourable Sir George Schuster: With your permission, Sir, I will deal with questions Nos. 313 to 317 together.

I would refer the Honourable Member to the reply given on the 24th of February, 1934, to Mr. Muhammad Anwar-ul-Azim's unstarred question No. 84.

**COMMUNAL COMPOSITION OF CLERKS AND AUDITORS IN THE OFFICE OF THE
DIRECTOR OF RAILWAY AUDIT.**

†314. Mr. M. Maswood Ahmad: Will Government be pleased to state the communal composition of the clerks and auditors (junior and senior) of the Director of Railway Audit, New Delhi, as it stood on the 1st April, 1928, 1929, 1930, 1931, 1932, 1933 and 1934?

**COMMUNAL COMPOSITION OF THE ESTABLISHMENT OF THE AUDITOR
GENERAL'S OFFICE.**

†315. Mr. M. Maswood Ahmad: Will Government be pleased to state the communal composition of the establishment of the Office of the Auditor General in India, with monthly salary in each case, as it stood on the 1st April, 1928, 1929, 1930, 1931, 1932, 1933 and 1934?

**COMMUNAL COMPOSITION OF AUDITORS IN THE RAILWAY AUDIT
DEPARTMENT.**

†316. Mr. M. Maswood Ahmad: Will Government be pleased to state the communal composition, as well as the total number, of auditors (junior and senior) employed by the Railway Audit Department under the control of the Director of Railway Audit, New Delhi?

**COMMUNAL COMPOSITION OF AUDITORS IN THE RAILWAY AUDIT
DEPARTMENT.**

†317. Mr. M. Maswood Ahmad: Will Government be pleased to state the communal composition of the auditors (clerks of the Railway Audit Department who have passed the Part II Examination of the Railway Subordinate Audit Service) on the waiting list?

TRANSFERS OF TELEGRAPHISTS AND TELEGRAPH MASTERS.

318. Mr. M. Maswood Ahmad: (a) Is it a fact that the term "the interest of service" when used in relation to a transfer is intended to distinguish it from a transfer ordered at an official's own request or in consequence of his misconduct?

(b) Is it a fact that a transfer roster is maintained in all Departmental Telegraph Offices to regulate transfers of Telegraphists and Telegraph Masters according to the length of stay of each official in that particular telegraph office?

† For answer to this question, see answer to question No. 313.

(c) Is it also a fact that when ordering transfers, in the interest of service, the heads of the circle are not permitted to depart from the procedure laid down in rule 65 of the Post and Telegraph Manual, Volume IV?

The Honourable Sir Frank Noyce: (a) Yes.

(b) Yes.

(c) No. The Honourable Member is referred to rule 64 of the Manual mentioned by him.

RETENTION OF THE INVESTIGATING INSPECTOR OF THE PUNJAB CIRCLE OFFICE FOR MORE THAN FIVE YEARS.

319. Mr. M. Maswood Ahmad: (a) Is it a fact that according to the rules of the Department and the longstanding practice in vogue in the Punjab Postal Circle, the Inspectors of Post Offices, etc., are not allowed to stay at a locality for more than three years and are liable to transfer at the expiry of that period?

(b) Is it a fact that investigating Inspector of the Punjab Circle office is being retained for more than five years? If so, will Government please state why the official is allowed to exceed the limit?

The Honourable Sir Frank Noyce: (a) According to the Departmental rules certain classes of officers, *viz.*, Superintendents of Post Offices and of the Railway Mail Service, Inspectors of Post Offices, and of the Railway Mail Service and Head Clerks to Superintendents of Post Offices are liable to be transferred after holding the same post for three years, and Investigating Inspectors in Circle offices after holding the same post for five years. But on account of the existing financial stringency, these rules have temporarily been held in suspense and transfers are being made only in the cases in which they are considered by the Head of the Circle to be specially desirable.

(b) Government have no information. The Honourable Member will, however, see from the reply to part (a) above, that the limit may be exceeded at the discretion of the Head of the Circle.

LOSS OF AN INSURED PARCEL IN THE LAHORE GENERAL POST OFFICE.

320. Mr. M. Maswood Ahmad: (a) Is it a fact that an insured parcel worth Rs. 1,400 was lost while in the custody of a Sikh clerk of Lahore General Post Office in September, 1933?

(b) Is it a fact that three Muslim officials of Lahore General Post Office were handed over to the police as suspects in the above case?

(c) Is it a fact that the above-mentioned Sikh official from whose custody and through whose negligence the loss occurred and who was the sole responsible custodian of the insured article in question was not handed over to the police? If so, will Government please state why no police or departmental enquiries were made against the official who was directly concerned and responsible for the loss?

The Honourable Sir Frank Noyce: I shall deal with both the questions together as they relate to the same incident.

The facts of the case are that a parcel insured for Rs. 1,400 was received in the Lahore General Post Office on the 1st August, 1933, and

was made over under receipt to the Parcel Delivery clerk who was a Sikh official. During his temporary absence on some other work, the parcel disappeared, the clerk having carelessly left it in an open shelf instead of locking it up securely. The loss was immediately reported to the Deputy Postmaster and to the Police and both departmental as well as Police enquiries were started.

During the course of investigation the police made enquiries from three Muslim officials, namely, Mohamed Shafi, clerk, Mohamed Hussain, clerk, and Ghulam Mohamed, packer. Neither of the clerks was arrested or detained by the police and they were not absent from duty. Ghulam Mohamed, the packer, however, was arrested on the 9th August, 1933, and was discharged from police custody on the 23rd August, 1933. The police finally reported the case as untraced. As Ghulam Mohamed was detained by the police for purposes of investigation no question of compensation arises.

As the result of departmental enquiries the amount of loss suffered by the department was ordered to be recovered from the Sikh official owing to whose negligence the article was lost.

LOSS OF AN INSURED PARCEL IN THE LAHORE GENERAL POST OFFICE.

†321. **Mr. M. Maswood Ahmad:** (a) Is it a fact that a loss of an insured article worth Rs. 1,400 occurred in the Lahore General Post Office in which certain Muslim officials were handed over to the police?

(b) Will Government please state the names and the period for which these officials remained in the police custody and the period of their absence from duty?

(c) Is it a fact that all of them were acquitted by the police? If so, will Government please state how they propose to compensate them for the unnecessary harassment, mental and physical, and financial worries, both their own and of their families during their detention by the police?

RECRUITMENT OF MUSLIMS IN THE STAFF A BRANCH OF THE PUNJAB POSTAL CIRCLE OFFICE.

322. **Mr. M. Maswood Ahmad:** (a) Is it a fact that in the Staff A branch of the Punjab and N. W. F. Circle office, the entire staff detailed below is non-Muslim?

- (1) Head clerk,
- (2) Assistant Head clerk,
- (3) Clerk dealing with the transfer, leave, etc., of the entire R.M.S. branch of the Punjab postal circle,
- (4) Clerk dealing with the transfer, etc., of the Engineering branch,
- (5) Clerk dealing with the transfer, etc., cases of selection grade officials.
- (6) Clerk dealing with the transfer, etc., cases of Inspectors of post offices,
- (7) Clerk dealing with the entire retrenchment,
- (8) Recruitment clerk,
- (9) Appeal clerk,

† For answer to this question, see answer to question No. 320.

- (10) Circle appointment clerk,
- (11) Assistant Postmaster General incharge,
- (12) Deputy Postmaster General incharge,
- (13) Postmaster General.

(b) If the reply to part (a) be in the affirmative, are Government prepared to consider the desirability of taking immediate steps to replace some of the officers holding the above named appointments by Muslims to safeguard the interests of the minority community?

The Honourable Sir Frank Noyce: (a) Government regret that the information necessary for a complete reply to this question is not readily available, nor do they propose to call for it since the posts in question are not filled on communal considerations.

(b) Government do not propose to take the action suggested since, as explained, in the reply to part (a) of the question, the posts are not filled on communal considerations. The Honourable Member's attention is also invited to the reply given by the Honourable Sir James Crerar to Mr. Muhammad Anwar-ul-Azim's starred question No. 340, in the Legislative Assembly on the 16th September, 1931.

PREPONDERANCE OF NON-MUSLIMS IN CERTAIN APPOINTMENTS IN THE LYALLPUR AND KASHMIR POSTAL DIVISIONS.

323. Mr. M. Maswood Ahmad: Is it a fact that the permanent Superintendent of the Post Office, Lyallpur and Kashmir Divisions, all the inspectors of post offices, selection grade, postmasters and sub-postmasters attached to those divisions are all non-Muslims? If so, do Government propose to remove the preponderance of officers of one community in these divisions?

The Honourable Sir Frank Noyce: Government have no information and do not propose to call for it as the posts in question are on a circle cadre and the postings are not made on communal grounds.

LOWER AND UPPER SELECTION GRADE POSTS HELD BY EACH COMMUNITY IN THE PUNJAB POSTAL CIRCLE BEFORE AND AFTER RETRENCHMENT.

324. Mr. M. Maswood Ahmad: (a) Is it a fact that for purposes of retrenchment in the postal department, Government have laid down that the existing ratio of each community already in service should be strictly maintained?

(b) If so, will Government be pleased to furnish a statement showing the total number of lower and upper selection grade posts held by each community separately, in the Punjab postal circle prior to retrenchment, say on the 1st July 1931 and after retrenchment say, on the 1st November 1933?

The Honourable Sir Frank Noyce: (a) No. The orders of Government are that in making retrenchment the communal ratios existing at the time the retrenchment campaign began should be maintained to the nearest practicable figure.

(b) Information has been called for and a reply will be placed on the table in due course.

GRIEVANCES OF TELEPHONE OPERATORS.

325. Mr. M. Maswood Ahmad: (a) Has the attention of Government been drawn to the letter entitled "Telephone Operators' Grievances" published in the *Amrita Bazar Patrika* of the 11th April, 1933? If so, do Government propose to consider their cases favourably?

(b) Is it a fact that telephone operators appointed on or after the 1st March, 1933, have been denied the pensionable status enjoyed by those who were in substantive and permanent appointments before that date? If so, what are the reasons for the change?

(c) Is it not a fact that the telephone system has extended far and wide within the last few years and that it yields revenue quite sufficient to ensure grant of pensionable status to telephone operators?

(d) Do Government propose to review the case of the telephone operators and make provision for their maintenance after retirement by grant of either pension or gratuity? If not, what is the justification therefor?

The Honourable Sir Frank Noyce: (a) Government have seen the letter. Of the five grievances stated therein, two have already been considered by Government in connection with petitions submitted by the officials concerned, and the remaining three will be examined.

(b), (c) and (d). The attention of the Honourable Member is invited to parts (a), (g), (k), (n) and (o) of the statement laid on the table of the House, on the 8th December, 1933, in reply to starred question No. 966 asked by Mr. S. G. Jog, on the 16th September, 1933.

MUSLIMS RECRUITED IN THE LEH AND GILGIT POSTAL SUB-DIVISIONS IN THE KASHMIR STATE.

326. Mr. M. Maswood Ahmad: Will Government please lay on the table a statement showing:

- (i) the number of postmen and packers, according to communities, who have been confirmed during the last three years in the Leh and Gilgit subdivisions in Kashmir State;
- (ii) the names of such candidates, if any, together with dates of their enlistment, whose fathers and near relatives have been serving the department in Kashmir State for the last 15 years; and
- (iii) the number of posts that have been allotted to Muslims under the third vacancy rule together with the number of candidates who are officiating at present under this system?

The Honourable Sir Frank Noyce: (i) and (iii). Information has been called for and a reply will be placed on the table of the House in due course.

(ii) Government regret that they are unable to furnish the information as its collection would involve an undue expenditure of time and labour.

NON-OBSERVANCE OF THE THIRD VACANCY RULE IN THE RAWALPINDI ENGINEERING DIVISION.

327. Mr. M. Maswood Ahmad: (a) Is it a fact that the third vacancy rule is not being strictly observed in the Rawalpindi Engineering Division?

(b) Is it a fact that a senior Muslim candidate in that Division was discharged in November last, whereas the Hindu candidate much more junior to the Muslim official thus discharged, was allowed to continue?

(c) If the reply to part (b) above be in the affirmative, will Government please state special reasons for this differential treatment and also what action they propose to take against the officials responsible for this disregard of Government's orders regarding recruitment of the members of the minority community?

The Honourable Sir Frank Noyce: (a) to (c). Information has been called for and a reply will be laid on the table of the House, in due course.

ALLEGATIONS AGAINST MR. D'ECA WHEN HE WAS ASSISTANT CONTROLLER IN THE CENTRAL PRINTING OFFICE.

328. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state if it is a fact that Mr. d'Eca used to keep one office cycle at his residence when he was Assistant Controller in the Central Printing Office for the use of his servants for going to bazar, etc.?

(b) Will Government be pleased to state if it is a fact that inconvenience was often felt in the Central Printing Office and Government work suffered due to the absence of cycles in the office?

(c) Will Government be pleased to state if Government officers are allowed to keep office cycles at their residences for the use of their private servants?

The Honourable Sir Frank Noyce: With your permission, Sir, I propose to answer questions Nos. 328, 329, 330 and 332 together. These contain a number of assertions of misconduct on the part of a particular officer, some of the assertions relating to alleged incidents several years ago. Government had no information on any of the points raised, but as two of the assertions were particularly specific and gave dates and details, these have been investigated. The result of the inquiries into the allegations in parts (d) and (e), of question 329, show that they are without foundation. Calls were made by the officer mentioned on the dates given; the number is in one case incorrect. In both cases the officer paid for the calls and the sums were duly credited to Government. In the circumstances, Government do not propose to pursue the other allegations unless the Honourable Member is prepared to produce the evidence on the basis of which he has made himself responsible for the assertions.

ALLEGATIONS AGAINST MR. D'ECA WHEN HE WAS ASSISTANT CONTROLLER IN THE CENTRAL PRINTING OFFICE.

†329. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state if they are aware that Mr. d'Eca has made several private telephone trunk calls at the expense of Government?

(b) Will Government be pleased to state the total amount spent by them on telephone trunk calls between the Camp Office of the Central Printing Office and the Headquarters Office in Delhi during the summer season of 1930 when Mr. d'Eca officiated as Deputy Controller, Printing,

† For answer to this question, see answer to question No. 328.

and Mr. Gregory as Assistant Controller, Printing and Stationery, at the Headquarters Office, and the amounts spent on such trunk calls between these two offices during each of the previous years?

(c) Will Government be pleased to state if they are aware that Mr. J. R. Asari, the late Assistant Controller of Printing and Stationery, had mentioned to some clerks of the Central Printing Office that no necessity had ever arisen in the past for any telephone trunk call between the Camp Office of the Central Printing Office and the Headquarters Office and that the heavy number of calls during the year 1930 was entirely due to Messrs. d'Eca and Gregory, who are relatives, making private calls on each other at Government expense?

(d) Will Government be pleased to state if it is a fact that a private telephone trunk call was made by Mr. d'Eca on the 29th April, 1932, to telephone No. 3820, at Government expense?

(e) Will Government be pleased to state if it is a fact that a private telephone trunk call was made by Mr. d'Eca on the 20th April, 1932, to telephone No. 47 at Government expense?

(f) If the replies to parts (d) and (e) above be in the negative, will Government be pleased to state the name of the officers who made the telephone calls in question, and the nature of Government business?

(g) Will Government be pleased to state if Government officers are allowed to make private telephone trunk calls at Government expense?

(h) If the reply to part (g) be in the negative, will Government be pleased to state what disciplinary action they propose to take against Messrs. d'Eca and Gregory for making private telephone trunk calls at Government expense?

ALLEGATIONS AGAINST MR. D'ECA WHEN HE WAS ASSISTANT CONTROLLER IN THE CENTRAL PRINTING OFFICE.

†330. **Mr. D. K. Lahiri Chaudhuri:** (a) Will Government be pleased to state if they are aware that the Central Printing Office dak bag for the Camp Office in Simla was often utilised by Mr. d'Eca for sending private parcels to Simla?

(b) Are Government aware that on the 6th July, 1931, a parcel of fruits was sent by Mr. d'Eca in the dak bag from the Central Printing Office, Delhi, addressed to Mr. Ram Rakhamal of the Camp Office for delivery to Mrs. d'Eca in Simla?

(c) Are Government aware that on the 16th July, 1931, two packets were sent by Mr. d'Eca in the dak bag from the Central Printing Office, Delhi, addressed to Mr. Ram Rakhamal of the Camp Office for delivery to Mrs. d'Eca in Simla?

(d) Are Government aware that on the 17th July, 1931, two packets, one of which contained two hockey sticks, were sent by Mr. d'Eca in the dak bag from the Central Printing Office, Delhi, addressed to Mr. Ram Rakhamal of the Camp Office for delivery to Mrs. d'Eca in Simla?

(e) Will Government be pleased to state if it is a fact that entries in regard to Mr. d'Eca's sending private packets to Simla in the dak bag have appeared in the Central Printing Office challans?

(f) Will Government be pleased to state if Government officers are allowed to use office dak bags for sending private parcels?

(g) If the reply to part (f) be in the negative, will Government be pleased to state what disciplinary action they propose to take against Mr. d'Eca?

AMOUNT SPENT ON THE OVERHAULING OF THE CENTRAL PRINTING OFFICE VANS.

331. Mr. D. K. Lahiri Chaudhury: (a) Will Government be pleased to state if it is a fact that abnormally heavy amounts have been spent every year in the past on the overhauling of the Central Printing Office vans?

(b) Will Government be pleased to state the amount spent on the repairs of the Central Printing Office vans each year in the past?

(c) Will Government be pleased to state if it is a fact that Mr. Letton, recently pointed out that overhauling the van every year was unnecessary and that since then this practice was stopped?

(d) Will Government be pleased to state the name of the officer who is responsible?

The Honourable Sir Frank Noyce: (a) I must leave the Honourable Member to judge in view of the answer to part (b).

(b) The figures for the last three financial years are:

					Rs.	a.	p.
1931-32	...	...	...	...	126	1	0
1932-33	...	...	...	...	274	0	6
1933-34	...	...	...	...	209	6	0

(c) and (d). Observations to this effect were made by Mr. Letton in 1931, but the subsequent items of expenditure were regarded as necessary by him.

ALLEGATIONS AGAINST MR. D'ECA WHEN HE WAS ASSISTANT CONTROLLER IN THE CENTRAL PRINTING OFFICE.

†332. Mr. D. K. Lahiri Chaudhury: (a) Are Government aware that when Mr. d'Eca was in the Central Printing Office, he used to make use of the office van very frequently for his private work through Messrs. Charan Das and Yamin Khan?

(b) Are Government aware that whenever the van was used by Mr. d'Eca, the press clerk used to be instructed by the former to tell the press that it had gone out of order?

(c) Will Government be pleased to state if it is a fact that the press and the Secretariat Departments often felt great inconvenience, and delay occurred in the delivery of printed copies due to the van being frequently used by Mr. d'Eca?

(d) Will Government be pleased to state if it is a fact that Mr. Carter, Manager, Government of India Press, Delhi, himself complained several times over the telephone when the van was absent from the press for hours together and was being used for Mr. d'Eca's private work?

† For answer to this question, see answer to question No. 328.

(e) Will Government be pleased to state if it is a fact that the van was used on several occasions by Mr. d'Eca even for bringing firewood from the city?

(f) Will Government be pleased to state if it is a fact that Mr. d'Eca had permitted the use of the van by the clerks of the Central Printing Office for seeing a cricket match in the Roshanara Gardens in the winter season of 1930, when he was officiating as Deputy Controller, Printing?

(g) Will Government be pleased to state if it is a fact that when Mr. Charan Das was in the Central Printing Office, he used to go in the motor van very frequently to do Mr. d'Eca's private work?

(h) Will Government be pleased to state if it is a fact that the favourable treatment accorded to Mr. Charan Das in the Central Publication Branch is due to his having done Mr. d'Eca's private work in the past?

(i) Will Government be pleased to state if Government officers are allowed to use the office van for their private work and to permit its use for seeing cricket matches?

(j) If the reply to part (i) be in the negative, will Government be pleased to state what disciplinary action they propose to take against Mr. d'Eca?

SUPERSESSION OF TWO INDIAN ASSISTANTS BY AN ANGLO-INDIAN ASSISTANT IN THE CENTRAL PUBLICATION BRANCH.

333. **Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state if it is a fact that two Indian assistants, *viz.*, Messrs. A. T. Bromo and B. M. Roy, have been superseded by an Anglo-Indian assistant Mr. A. A. Whitley?

(b) Will Government be pleased to state if it is a fact that Messrs. A. T. Bromo and B. M. Roy have been superseded by an Anglo-Indian due to the policy of racial discrimination? Who is responsible for this discrimination?

(c) Will Government be pleased to state if it is a fact that both Messrs. Bromo and Roy have officiated as superintendents after Mr. Whitley was provided with a superintendent's post (officiating)?

(d) If the reply to the above parts be in the affirmative, will Government be pleased to state why Messrs. Bromo and Roy were considered fit to officiate as superintendents after Mr. Whitley was provided with a superintendent's post (officiating) and not before?

The Honourable Sir Frank Noyce: (a) Mr. Whitley was appointed in 1926, in view of the orders received from my Department. These orders specified the qualifications which were necessary and the other two officers mentioned were not qualified.

(b) The answer to the first part is in the negative and the second part does not arise.

(c) I have no information.

(d) Does not arise.

PRINTING OF EXTRAVAGANT FORMS.

334. **Mr. D. K. Lahiri Chaudhury**: Will Government be pleased to state if it is a fact that several cases of extravagant forms of printing have come to the notice of the Joint Secretary, Industries and Labour Department, since Mr. Gregory has been officiating as Assistant Controller, Printing?

The Honourable Sir Frank Noyce: No.

MAINTENANCE OF SANCTION REGISTER OF PRINTING WORK IN THE CENTRAL PRINTING OFFICE.

335. **Mr. D. K. Lahiri Chaudhury**: Will Government be pleased to state if it is a fact that it has come to the notice of the Joint Secretary that the sanction register of printing work in the Central Printing Office was very badly maintained?

The Honourable Sir Frank Noyce: No.

QUALIFICATIONS OF MR. D'ECA, MANAGER OF PUBLICATIONS.

336. **Mr. D. K. Lahiri Chaudhury**: (a) Will Government be pleased to state (i) what qualifications Mr. d'Eca possesses for the post of Manager, Central Publication Branch, and (ii) what qualifications are necessary for the above post?

(b) Will Government be pleased to state the qualifications of each gazetted officer and the qualifications necessary for the respective gazetted appointments, giving reasons in each case?

The Honourable Sir Frank Noyce: (a) The main qualification is administrative ability: Mr. d'Eca was selected on account of his previous work and experience.

(b) I assume that the Honourable Member is referring to technical qualifications. The only gazetted posts for which these are essential are those of Managers of Presses, who must have had a thorough training in printing, and the Store Examiner, who must be a qualified chemist. The necessity arises out of the nature of the duties and the officers holding the posts have the requisite qualifications.

ARTICLE IN THE *TELEGRAPH REVIEW* UNDER THE CAPTION "THE WORKING HOURS".

337. **Rai Bahadur Lala Brij Kishore**: Has the attention of Government been drawn to the article which appeared on page 436 of the *Telegraph Review* of September 1933 under the caption "The Working Hours"?

The Honourable Sir Frank Noyce: Government have seen the article referred to.

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I lay on the table the information promised in reply to parts (b) to (e) of starred question No. 34 asked by Mr. Lalchand Navalrai on the 29th January, 1934.

**ALLEGED SECRET AGREEMENT BETWEEN THE BURMA OIL COMPANY AND THE
STANDARD OIL COMPANY.**

*34. (b) It is understood that there is no arrangement between the Burma Oil Company and the Standard Oil Company for supplies of kerosene from the former to the latter.

(c) A statement is attached showing the imports of kerosene oil from foreign countries by sea and coastwise imports from Burma and also the amounts of the Import and Excise duties realised.

(d) As regards the first part, separate statistics relating to the imports of kerosene oil by individual companies from different countries are not maintained but it is understood that the Standard Oil Company import their oil not only from America but also from other countries such as Russia and Java. With regard to the second part, the decrease in the imports of foreign oil has affected the imports from all countries and not only those from the United States of America.

(e) Government believe that the decrease in the imports of kerosene oil from foreign countries is mainly due to the decrease in the total consumption of that commodity in India owing to the general economic depression, and no special enquiry with regard to the decrease in imports from the United States of America appears to be necessary.

Statement showing the imports of kerosene oil by sea from abroad into British India, coastwise exports from Burma into India import duty realised on kerosene and excise duty collected.

Year.	Total imports from abroad into British India.	Coastwise exports from Burma to India.	Import duty on kerosene.	Excise duty on kerosene.
	Gals.	Gals.	Rs.	Rs.
1930-31	98,893,330	113,728,346	1,50,25,318	1,24,72,980
1931-32	85,689,920	120,414,305	1,79,95,637	2,11,17,212
1932-33	59,493,915	126,397,036	1,45,35,466	2,33,28,454
1933-34 (9 months only) .	41,671,740	92,858,217	93,12,059	1,80,59,621

The Honourable Sir Frank Noyce (Member for Industries and Labour):
Sir, I lay on the table:

- (i) the information promised in reply to starred question No. 162 asked by Pandit Satyendra Nath Sen on the 19th February, 1934;
- (ii) the information promised in reply to starred question No. 276 asked by Mr. D. K. Lahiri Chaudhury on the 26th February, 1934;
- (iii) the information promised in reply to starred question No. 435 asked by Mr. Nabakumar Sing Dudhoria on the 10th March, 1934; and
- (iv) the information promised in reply to unstarred question No. 161 asked by Mr. S. C. Mitra on the 10th March, 1934.

CONSTRUCTION OF "B" TYPE QUARTERS ON THE LADY HARDINGE ROAD, NEW DELHI.

*162. The height of the proposed wall will be 8 feet. It will be a continuous wall about 350 feet long.

CONVERSION OF THE NOAKHALI HEAD POST OFFICE INTO A SUB-POST OFFICE.

*276. (a) Noakhali and Cooch Behar head post offices were converted into sub-post offices with effect from the 1st October, 1932 and 1st January 1933 respectively.

(b) Yes, the status was raised again for special reasons.

(c) Rapid erosion of the river at Noakhali required adoption of emergent measures resulting in the conversion of the head post office into a sub post office and its removal to a smaller building located on a safer site. The question of the future status of the Noakhali post office has been held in abeyance pending the decision of the Government of Bengal on the future location of the headquarters of the Noakhali District.

(d) The reply to the first part of the question is in the affirmative. The reply to the second part of the question has been given to the reply to part (c) above.

EARTHQUAKES IN INDIA AND ESTABLISHMENT OF SEISMOLOGICAL STATIONS.

*435. (a) Records for the last 36 years are available.

(b) The compilation of the information would entail time and labour altogether disproportionate to the result and Government do not, therefore, propose to collect it.

(c) No.

(d) Yes.

(e) There are at least six stations, viz., at Calcutta, Agra, Bombay, Kodaikanal, Dehra Dun and Hyderabad.

(f) and (g). Yes.

(h) It is understood the Government of Bihar and Orissa have under consideration the question of establishing a seismological observatory at Patna.

(i) The Government of India have no such intention at present.

(j) Extensive gravity surveys have already been carried out and further surveys will be carried out, if necessary.

(k) and (l). Yes.

(m) Government have no such proposal under consideration at present.

RETIREMENTS IN CERTAIN CADRES OF THE POSTS AND TELEGRAPHS DEPARTMENT.

161.

	(a) Number of voluntary retirements.	(b) Number of compulsory retirements.
(i) In Post Office and Railway Mail Service Branches .	2,435	2,151
(ii) In offices of Postmasters-General (including Dead Letter Offices and the office of the Director, Sind and Baluchistan).	98	84
(iii) In Telegraph Traffic Branch	404	323

The Honourable Sir Harry Haig (Home Member): Sir, I lay on the table the information promised in reply to short notice question asked by Mr. Muhammad Azhar Ali on the 29th March, 1934.

BAKR-ID RIOT AT AJODHYA.

Two old faqirs were murdered in a mosque and a woman killed in another place while 8 other Muhammadans received minor injuries in Ajodhya and the total number of Muhammadan houses burnt there is 18.

At short time before Bakr-Id, it became known that Muhammadans of Shahjehanpur in isolated hamlets between Fyzabad and Ajodhya intended to sacrifice a cow. As there was no official record of such a sacrifice having taken place in Shahjehanpur, the Sub-divisional Officer passed orders under section 107 against both Hindus and Muhammadans. Hindus found sureties while the Muhammadans were committed to prison in default and the sacrifice in Shahjehanpur was prohibited under section 144.

Permission was, however, given to sacrifice on March, 27, in the slaughter house at Jalpanala where slaughter houses were constructed after the 1912 riots for use in Bakr-Id by Mussalmans of Ajodhya.

On March 26, the first and main day of Id passed off peacefully. On the morning of March 27, Muhammadans of Shahjehanpore sacrificed at Jalpanala under police protection, the Deputy Commissioner being present. Soon after the withdrawal of the party from Jalpanala, a crowd of Hindus mostly Bairagis came out of Ajodhya, demolished and set fire to the slaughter houses and went on to Shahjehanpur where they set fires to some isolated huts. Here they were met by the Sub-Divisional Officer and police and were dispersed by the latter in the direction of Ajodhya.

In Ajodhya, other Bairagis were attacking isolated Muhammadan houses on the outskirts. The police and Deputy Collector in charge of Ajodhya pursued them but on each occasion they dispersed as soon as the police approached.

Then a large crowd of Bairagis attacked two small mosques and a large mosque called Babri Mosque close to the temple of Hanuman Garhi, but in an isolated position well away from the main road. It was some time before the Deputy Collector had heard of the attacks on mosques and it was only after a good deal of damage had been done, that he could collect sufficient police to disperse the mob. Police pickets were put out and a company of British infantry marched down to bivouac between Fyzabad and Ajodhya, while curfew orders were issued for both the places.

No further trouble has since been reported.

Mr. G. R. F. Tottenham (Army Secretary): Sir, I lay on the table:

- (i) the information promised in reply to unstarred question No. 77, asked by Sardar Sant Singh, on the 21st February, 1934;
- (ii) the information promised in reply to unstarred questions Nos. 114 and 118, asked by Khan Bahadur Haji Wajihuddin on the 3rd March, 1934; and
- (iii) the information promised in reply to unstarred question No. 180, asked by Mr. S. G. Jog on the 10th March, 1934.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

77. (a) It is true that in isolated cases delays of very considerable length have occurred, but there are always special reasons for such delays.

(b) None. Orders were issued on the 15th February, last including the grant of arrears from the original date of application.

(c) The fact that a deceased soldier left old parents and minor children makes no difference to the principle followed by Government which is that every pension claim is to be investigated with the least possible delay.

(d) Does not arise.

BYE-LAWS ABOUT CONSTRUCTION OF BUNGALOWS IN CERTAIN CANTONMENTS.

114. (a) and (c). Government understand that the Officer Commanding-in-Chief, Northern Command, did not direct the Cantonment Authority to frame bye-laws, but directed *the consideration* by the Cantonment Board of the following proposals :

That the following bye-laws be framed under section 186 (b), of the Cantonments Act, in order to prevent over-crowding in the Cantonments and to ensure that bungalows erected are suitable for the residence of a military officer :

Bye-Law.

(1) No additional building or buildings, shall be allowed to be erected in the following areas unless—

- (a) the site is more than two acres in extent and provided the additional building or buildings, are at no place within 150 feet from the existing building or buildings, on the site or on adjacent sites;
- (b) the building or buildings, are erected in accordance with standard plans and specifications of types of bungalows suitable for the residence of military officers.

These standard plans and specifications will be prepared by the Military Engineer Services, and will be kept at the Cantonment Board Office for sale to the public after having been approved by the Cantonment Board.

Explanation :—The following shall not be considered to be additional buildings for the purpose of this bye-law :

- (a) Minor additions or alterations to existing buildings.
- (b) The erection of a garage or stables for not more than two motor cars or two horses, respectively

The Areas referred to—

* * * * *

(2) No second or more storeys shall be allowed to be erected in the following areas :

* * * * *

The bye-laws are published under section 284 of the Cantonments Act, 1924. The proper remedy for any person questioning the validity of a bye-law proposed to be made by a Cantonment authority is to put in an objection during the period of previous publication. Any objections put in will be duly considered by the local Government when the bye-laws come before them for confirmation.

(b) The Cantonment Authority, Rawalpindi have framed such bye-laws. It is understood that the Cantonment Authority, Ambala, have under consideration the question of doing so.

(d) and (h). The bye-laws as briefly explained above, are intended to provide safeguards against the overcrowding of residential areas in the Cantonment to the detriment of the health of the Garrison. Cantonments in India are places intended primarily for the residence of the troops, and it is the duty of a Cantonment Authority to ensure the preservation of such amenities as are essential for the welfare of the troops. The interest of the troops and not those of the house-owners must, therefore, predominate.

(e) The adequacy of the provisions of section 181 is not in question. The general position is explained above.

(f) and (g). The answer is in the negative.

**BYE-LAWS PROHIBITING THE CONSTRUCTION OF UPPER STOREYS IN HOUSES
IN CERTAIN AREAS IN THE CANTONMENTS.**

118. (a), (b) and (c). Attention is invited to the replies to parts (a), (b) and (c) of unstarred question No. 114, asked on the 3rd March, 1934.

(d), (e) and (f). The answer is in the negative.

**DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT
WAR.**

180. (a) As fully explained to the Pensions Committee, a medical officer gives a decision as to the cause of death only. As regards attributability to military service, he merely expresses an opinion. He may not be aware of all the circumstances of the case; and his opinion is, therefore, liable to be overruled by Government.

(b) Yes, but the Controller can always submit to the Government of India cases regarding which he is in doubt.

(c) It depends on the circumstances of each case.

(d) A reply was laid on the table on the 2nd April, 1934.

Mr. P. R. Rau (Financial Commissioner, Railways): Sir, I lay on the table:

(i) the information promised in reply to starred question No. 553, asked by Mr. Gaya Prasad Singh on the 4th September, 1933; and

(ii) the information promised in reply to starred questions Nos. 835 and 836, asked by Pandit Satyendra Nath Sen on the 12th September, 1933.

**EMPLOYMENT OF TWO SPECIAL SQUADS OF SPECIAL TICKET EXAMINERS ON THE
EAST INDIAN RAILWAY.**

*553. (a) Yes; Auxiliary travelling gangs were appointed temporarily for 3 months to assist in preventing illicit travelling on the East Indian Railway.

(b) The reply to the first part is in the affirmative.

They were not provided with free furnished quarters and were given consolidated pay, including travelling allowance, of Rs. 75 per month. The expenditure on this temporary establishment was approximately Rs. 2,400 per month.

(c) Ordinarily T. T. E.'s are given pay and consolidated allowance as follows:

Grade I.—Pay Rs. 70—5—95 plus consolidated T. A. Rs. 20 per month.

Grade II.—Pay Rs. 55—3—64 plus consolidated T. A. Rs. 15 per month.

In July, 1931, a general cut of 12½ per cent., was made in certain allowances which included the consolidated T. A. drawn by these T. T. Es.

T. T. E.'s are not entitled to rent-free quarters or house allowance in lieu thereof.

(d) No.

(e) Does not arise.

FORMATION OF SQUADS FOR TICKET CHECKING ON THE EAST INDIAN RAILWAY.

*835. (a) Auxiliary travelling gangs under the Watch and Ward Department were appointed on the East Indian Railway temporarily for 3 months to assist in preventing illicit travelling on the East Indian Railway.

18 T. T. Es. were appointed temporarily for this purpose, 14 of whom were Anglo-Indians and 4 of whom were Europeans.

(b) These were a small number of temporary promotions made from men already in the service who were temporarily surplus to requirements. They were posted to this work for a period of 3 months, in connection with a special experimental scheme.

The Railway considered that the men selected were the most suitable for this trial and that the question of racial discrimination did not arise as this was not a case of appointing new men to the railway. ...

(c) No. The Administration considered that a shorter period was adequate for the requirements of these special temporary squads.

(d) One or two complaints have been received by the Railway Administration and dealt with. Such complaints are particularly incidental to this branch of railway working.

(e) Yes.

(f) No. It is admissible for a passenger, when detected without a ticket at Belur, to pay the fare and penalty at Belur and buy a ticket. If he however, elects to go to Chandernagore without a ticket, he must pay the fare and penalty for the distance he has travelled without ticket. The Agent, East Indian Railway, reports that no complaints on this subject have been received by him.

(g) Does not arise.

FORMATION OF SQUADS FOR TICKET CHECKING ON THE EAST INDIAN RAILWAY.

*836. (a) As the posts were temporary for 3 months only they were not advertised and the selection was made from men already in service, who were temporarily surplus to requirements.

(b) and (c). Do not arise.

(d) A reference is invited to the replies to parts (b) and (c), of question No. 835.

ELECTION OF MEMBERS FOR THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I beg to move:

"That this Assembly do proceed to elect in such manner, as may be approved by the Honourable the President, six non-official Members from the Assembly who shall be required to serve on the Central Advisory Council for Railways."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That this Assembly do proceed to elect in such manner, as may be approved by the Honourable the President, six non-official Members from the Assembly who shall be required to serve on the Central Advisory Council for Railways."

Mr. B. Das (Orissa Division: Non-Muhammadan): May I know whether this Central Advisory Council for Railways is functioning at all, and how many times it met during the last year?

The Honourable Sir Joseph Bhore: It functions very effectively. It is our endeavour to hold at least two meetings every year, and last year the Council certainly held two meetings, and I hope the same will happen this year as well.

Mr. B. Das: I have not seen the report of the Committee so far. What was the nature of the effective work that my Honourable friends performed in that Committee?

The Honourable Sir Joseph Bhowe: I believe that reports of the meetings of the Committee are in the Library of the House and if my Honourable friend has not seen it, I shall be happy to furnish him with a copy.

Mr. B. Das: It ought to be circulated to every Member just as the reports of the Local Advisory Committees of Railways are circulated. This report has not been circulated so far.

The Honourable Sir Joseph Bhowe: I shall certainly have it followed in this particular case.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): May I enquire whether the deliberations of this Committee have any force? What is the nature of the discussion? Do their decisions take the shape of Resolutions?

The Honourable Sir Joseph Bhowe: The nature is indicated by the fact that the Committee is an Advisory Committee.

Dr. Ziauddin Ahmad: Are they allowed to pass Resolutions?

The Honourable Sir Joseph Bhowe: They are allowed to discuss questions and to express their views.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I want to suggest three things in connection with this matter. The first is that it will be found that the Local Advisory Committees also hold many meetings though their area is very restricted. The Central Advisory Committee has a very large scope and it has to deal with the policy regarding all the State-managed Railways. Therefore, if you hold only two meetings, it is quite insufficient and I hope my Honourable friend will consider this point that at least two meetings must be held very Session. The second point is about the agenda of its meetings. It is better that the agenda is fixed at the meeting itself. Notice of Resolutions may be placed before the Central Advisory Committee and in that Committee it will be decided which items should be included for the next meeting. Therefore chances should be given to the different members to bring forward their suggestions before the Central Advisory Committee, and only one Member should not be given the monopoly of all the Resolutions for the Central Advisory Committee. Another point is that the Members of the Central Advisory Committee make only speeches and they do not come to any particular conclusion. I think the Honourable Member must consider this point that some Resolution must be passed as to what is the opinion of the Committee on a particular item. One Member stands up and says that this item should be passed, another Member says there are some difficulties in passing this item and a third Member brings some other difficulties and in this way the whole thing is passed over and we do not formulate any Resolution. What is the use of hearing these suggestions only? If it is a question of mere suggestions, Honourable Members can communicate their suggestions by means of a letter if it is only this purpose that we have to serve. We want that particular Resolutions should be passed by the Committee so that the Government might know what is the opinion of the Advisory Committee on that particular question.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, I am conscious of the fact that this Committee is an advisory body, but I think its functions are such that its voice is not being heard at all. Many suggestions and advices that are made by the members of the Committee are simply turned down.

Mr. R. S. Sarma (Nominated Non-Official): How do you make out the statement that the suggestion made and the advice tendered has been turned down.

Mr. Lalchand Navalrai: I have been reading their reports carefully. I also know what other small Advisory Committees in the Divisions have been doing. I know they are simply made to sit at a meeting to make some speeches and tender some advice, but no notice is taken of the advice given. Much of the advice is simply turned down. I submit that the original idea must have been that this Advisory Committee will remain advisory for sometime until the rules are made by which some definite function is assigned to these Advisory Committees. For instance, if questions like the selection of vendors of foodstuffs at the railway platform and such other connected questions are assigned to these Advisory Committees, they would render very great assistance to the railways. I submit that time has now come when some definite function should be assigned to these Advisory Committees.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): Sir, I do not want to say more than just a word. I agree with the suggestion made by my Honourable friend, Mr. Maswood Ahmad, when he said that more meetings of this Advisory Committee may be held, and that would not entail any additional expenditure on the part of Government, because these meetings could be held during the time the Legislative Assembly sits. I have never been a Member of this Central Advisory Committee, nor do I aspire to be one. I do not know the exact functions which this Committee is discharging. With regard to the suggestion of my Honourable friend, Mr. Navalrai, this Advisory Committee, by the very constitution of things, is an advisory body, and you cannot expect the decision of the advisory committee to be binding upon Government so long as the constitution is not changed. The Resolutions which we pass in the Legislative Assembly are also merely recommendatory, that is advisory and Government are not bound by these Resolutions. They may have a moral effect, but they are not of a mandatory character for Government. So, with regard to the nature and composition of the Advisory Committee, I have no fault to find but the complaint is legitimate that more meetings of this Committee should be held in order to give the members of the Committee an opportunity of studying the facts and of being useful members of the Committee. As regards the complaint of my Honourable friend, Mr. Maswood Ahmad, that one particular gentleman monopolises the time and attention of the Committee—I do not know to whom my Honourable friend is referring—I think it is quite open to other Members to bring in their suggestions. With regard to the complaint itself I was going to submit that my Honourable friend, Mr. Maswood Ahmad, should be the last person to complain about this monopoly, because in the questions which are put in the Assembly, I think my Honourable friend takes a lion's share. Although it is a pride to me coming as he does from Bihar, I think he should be the last person to complain about other persons monopolising questions and Resolutions, and so on. But I would earnestly request the Honourable Member in charge to

see whether it is possible to hold a few more meetings of the Advisory Committee during the time the Legislative Assembly is in Session, so that, without imposing any additional burden, the legitimate grievances of the members may be redressed.

Mr. N. M. Joshi (Nominated Non-Official): Sir, during the discussion on the Railway Budget, I had stated that the Government of India had not made much use of the Central Advisory Committee. The Honourable Member in charge of the Railways at that time said that the Advisory Committee had met twice as we find now.

Sir, I had based my complaint at that time upon the want of information in the last Administration Report on the Indian Railways. I found no mention of the work done by the Central Advisory Committee in the last Administration Report. So my complaint was based upon that want of information. I now find that the Honourable Member for Railways did hold two meetings of the Central Advisory Committee and he had placed the reports of these two meetings in the Library. I am sorry, Sir, the placing of the reports did not come to my knowledge and I apologise to the Honourable Member for not having seen all the books in the Library in order to find out the reports of the meetings of the Central Advisory Committee.

Sir, when the Railway Accounts were separated from the General Budget, I was a Member of the Legislative Assembly, and if anything had induced me to approve of the separation of the two Budgets, it was the establishment of the Central Advisory Committee. I felt that as the Legislature does not find sufficient time to discuss the details of the Railway administration, there should be a body representative of this Legislature which should be in a position to go into the details of the Railway administration and the influence of the Legislature should thus be brought to bear more fully upon the administration of the Railways. Unfortunately, as I stated in my speech on the Railway Budget, the Government of India have turned this Central Advisory Committee practically into a farce. Perhaps last year and the year before there was not much work done, because there was no mention in the Administration Report. This year they held two meetings. Now, Sir, may I ask whether the Government of India can really take into consultation a body which is representative of this Legislature in two days on the administration of the Railways whose Budget comes to about 100 crores of rupees? I feel, Sir, that the Government of India are not doing what they should do in this matter. They owe a duty to this Legislature and they owe a duty to the public of this country and they should consult the Central Advisory Committee in almost everything that they do in the matter of policy as regards our Railways. I should like some member of the Central Advisory Committee to stand up in his seat and tell us which matters of policy were discussed with them by the Government of India. Did the Government of India discuss with them the question of Railway rates? If so, I should like some Member to tell me whether the questions of rates and fares were discussed with them. May I ask whether the Government of India consulted the Central Advisory Committee as regards their policy on railway stores? The question of railway industries was raised in this Legislature. I should like to know whether the Government of India had ever discussed this question of establishing railway industries with the Central Advisory Committee. May I ask also whether the condition of the railway employees was ever discussed with the Central Advisory Committee? Did they ever discuss in full as to what they have been doing to improve the facilities for the travelling public? I feel, Sir, that the Government of India have not made use of this Committee and I

[Mr. N. M. Joshi.]

also complain that our representatives on the Central Advisory Committee have not sufficiently placed their complaints about Government not consulting them. I hope some Member will get up in his seat and tell us what this Central Advisory Committee has done.

Dr. Ziauddin Ahmad: Sir, I did not intend to take part in the discussion but for the demand from my distinguished friend, Mr. Joshi. I have not been a member of the Advisory Committee for a long time, but I was a member last year and attended one meeting only, because, the first meeting was held at a time when I was not in India. My complaint about that meeting is that the Advisory Committee should be permitted to pass certain Resolutions. Let them have a discussion, but after the discussion let them record their opinion. The opinion of the Committee as a whole is never recorded. The opinion of the individuals is recorded, and, therefore, I do not see that we can call it a committee at all if the opinion of the committee as a whole is not recorded.

The second thing is that this is really an instrument which the Government or the Railway Board for their own advantage, can make much use of. No doubt there are certain problems in which railwaymen are the final authorities and the travelling public have nothing to do with them. But there are certain questions in which the travelling public is really more entitled to express an opinion than railway experts; and these are questions of refreshment, of vendors and the supply of food-stuffs at the railway stations. This is a standing complaint. The different railways adopt different practices and no uniform practice exists, and this really is a question which requires serious consideration. And if the Railway Board may do nothing else, but decide this question, so that the travelling public may obtain food, good in quality and reasonable in price, they will do a great service in encouraging travelling by train. And I think the question of road and rail competition will be very much solved if even this one problem can be satisfactorily tackled by the Railway Board. So I suggest that the Railway Board should make more use of this Committee,—and not on one problem only, but on all problems.

Pandit Satyendra Nath Sen (Presidency Division: Non-Muhammadan Rural): Sir, I may inform Honourable Members that in one of the meetings of the Central Advisory Committee last year there was a discussion regarding the supervision and control of vendors at stations. I find that the recommendations have been scrupulously disregarded. The general recommendation was that vending contracts should be given to local contractors. Whereas, this year, in one of the Divisions, namely, Dinapore, the local contractors who are many in number have been replaced by only two contractors who are not local men. The number of vendors is at least 50 or 60 or more, and the recommendation of the Local Advisory Council was that one contract should be given for 25 to 30 miles of area. This matter was brought to the notice of my Honourable friend, Mr. P. R. Rau, as well as of the Agent of the East Indian Railway. The Agent was good enough to send a telegraphic message to the Divisional Superintendent, but on receipt of his letter the trend of which was that it was practically too late and he could not back out now, the Agent has changed his views. So the question is practically closed. The answer given by my Honourable friend, Mr. P. R. Rau, the other day, when

I put several questions, was not at all satisfactory. I think the Central Advisory Council cannot do any practical business. I, therefore, ask the Honourable Member in charge to see that the members of this Council have a real voice in some important matters, otherwise this motion is of no use.

The Honourable Sir Joseph Bhoré: Sir, I think the House will not expect me to go into all the individual points that have been raised by certain Honourable Members: for instance, the point which was raised by my Honourable friend, Pandit Sen, just now. Obviously I cannot be expected to be acquainted with the details of such cases, and I am certainly not in a position to reply off-hand to such points. But I would take up certain general points that have been made by certain Honourable Members during the course of this morning's discussion. I certainly have no objection to holding more than two meetings. The real difficulty, as my Honourable friend, Mr. Maswood Ahmad, well knows, is to find time to suit every member of this very large Committee. He knows that on more than one occasion we have had to try and manipulate the time of the meeting in order to suit the convenience of this member or that member; but I have no objection at all to consider whether we may not have at least two meetings during each Session if it is at all possible to do so.

Then, I think my Honourable friend will bear me out when I say that I have introduced an innovation which I think should be of great value to the members of the Advisory Committee and also to Government. I think a year ago I opened the door to members of the Committee themselves suggesting subjects for discussion; the result, as my Honourable friend, Mr. Maswood Ahmad, pointed out, was that one or two members put in so large a number of suggestions that the other members had no chance whatever of advancing proposals that they wanted to discuss. However, I hope that we have overcome that difficulty by an arrangement to limit the number of suggestions which it is open to each member to make. So far as the proposal in regard to Resolutions is concerned, I personally do not see any serious objection, and certainly we shall consider that matter at our next meeting. As regards the agenda, my Honourable friend will realise, when a large number of suggestions are made by individual members, it would be impossible to allow the Committee to settle the agenda, and I am afraid that that must be left in my hands. I can assure my Honourable friend that I will try to be as catholic in my selection of subjects as I possibly can. I would ask the House to remember that there are a very large number of Local Advisory Committees, so that it is not perhaps quite so necessary for the Central Advisory Committee to cast its net so widely as it is inclined to do. At the same time, as I say, I do not wish unnecessarily to limit the purview of the Central Committee and I shall do my best in making my choice of subjects for the agenda to see that all reasonable suggestions of members receive due consideration.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That this Assembly do proceed to elect in such manner, as may be approved by the Honourable the President, six non-official Members from the Assembly who shall be required to serve on the Central Advisory Council for Railways."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): I may inform Honourable Members that for the purpose of election of members to the Central Advisory Council for Railways, the Assembly Office will be open to receive nominations upto 12 Noon on Monday, the 9th April, and that the election, if necessary, will, as usual, be held in the Secretary's Room on Wednesday, the 11th April, 1934. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE INDIAN STATES (PROTECTION) BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the Indian States (Protection) Bill.

The question is:

"That clause 2 stand part of the Bill."

Sardar Sant Singh (West Punjab: Sikh): Sir, I move:

"That clause 2 of the Bill be omitted."

Clause 2 of the Bill reads:

"Whoever, within or without British India, conspires to overawe, by means of criminal force or the show of criminal force, the Administration of any State in India, shall be punished with imprisonment which may extend to seven years, to which fine may be added."

This clause is a modified reproduction of section 121A of the Penal Code; that section reads:

"Whoever, within or without British India, conspires to commit any of the offences punishable by section 121, or to deprive the Queen of the sovereignty of British India or of any part thereof, or conspires to overawe, by means of criminal force or the show of criminal force, the Government of India or any Local Government, shall be punished, etc., etc."

Honourable Members will find, in the drafting of this clause certain elements, defined by section 121A, namely, to commit an offence punishable by section 121, or to deprive the Queen of the sovereignty of British India or of any part thereof, have been omitted. While the remaining portion "conspires to overawe by means of criminal force or the show of criminal force the Government of India or any Local Government" has been retained, only with the change that for the words "the Government of India or any Local Government" the expression "administration of any State in India" has been substituted.

I shall deal with this clause purely on legal grounds. So far as the principle underlying this clause is concerned, I shall keep it for later arguments; but at this stage I only want to show that this clause, as drafted, is absolutely meaningless and is quite unworkable. In order to appreciate my argument on this point, I will draw the attention of Honourable Members to the several elements mentioned in this clause which go to constitute the offence under this clause as it stands now.

The first element is the element of conspiracy. The second is, the object of that conspiracy should be to overawe the administration of any State in India. The third element is, in order to carry this object to

completion the use should be the use of criminal force. These are the elements which are intended to constitute an offence under clause 2 of this Bill. Referring to the definition of conspiracy as given in the Indian Penal Code in section 120A, it is stated:

"When two or more persons agree to do, or cause to be done,—

(1) an illegal act, or

(2) an act which is not illegal by illegal means, such an agreement is designated a criminal conspiracy :

Provided that no agreement except an agreement to commit an offence shall amount to a criminal conspiracy unless some act besides the agreement is done by one or more parties to such agreement in pursuance thereof.

Explanation.—It is immaterial whether the illegal act is the ultimate object of such agreement, or is merely incidental to that object."

Now, criminal conspiracy is practically an agreement between two or more persons to do an illegal act or to do a legal act by illegal means. Conspiracy or such agreement can be either within British India or without British India. So naturally this offence makes people liable for conspiracy whether they are living in British India or out of British India or whether one person is living in British India and another is living outside British India. After this conspiracy has been made, the object of that conspiracy should be to overawe by use of criminal force. Now, let us see what is the definition of "force" and "criminal force". "Force" is defined in section 349 of the Indian Penal Code thus:

"A person is said to use force to another if he causes motion, change of motion, or cessation of motion to that other as brings that substance into contact with any part of that other's body : or with anything which that other is wearing or carrying Provided that the person causing the motion, or change of motion or cessation of motion, causes that motion, change of motion or cessation of motion in one of the three ways hereinafter described—

First—By his own bodily power.

Secondly—By disposing any substance in such a manner that the motion or change or cessation of motion takes place without any further act on his part, or on the part of any other person.

Thirdly, by inducing any animal to move, to change its motion, or to cease to move."

These are the ways by which the effect can be produced.

Now, what is the definition in section 350 of "criminal force"? This is how it is defined:

"Whoever intentionally uses force to any person, without that person's consent, in order to the committing of any offence, or intending by the use of such force to cause, or knowing it to be likely that by the use of such force he will cause injury, fear or annoyance to the person to whom the force is used, is said to use criminal force to that other."

Now, this definition of "criminal force" implies that the force shall be used against another person without that person's consent and the object of the use of that force should be the committing of an offence. Now, this takes us back to what is an offence. The word "offence" is defined in section 40 of the Indian Penal Code thus:

"Except in the Chapter and sections mentioned in clauses 2 and 3 of this section, the word 'offence' denotes a thing made punishable by this Code.

In Chapter IV (Chapter VA) and in the following sections, namely, sections 64, 66, 347, 348, 388, 389 and 445, the word 'offence' denotes a thing punishable under this Code, or under any special or local law as hereinafter defined.

[Sardar Sant Singh.]

Clause 2 reads—'And in sections 141, 176, 177, 201, 202, 212, 216 and 441, the word 'offence' has the same meaning when the thing punishable under the special or local law is punishable under such law with imprisonment for a term of six months, or upwards whether with or without fine'."

This is the definition of "offence" given in the Indian Penal Code. Honourable Members will remember that there is no particular definition of "offence" in this Act, nor is there any particular definition of "offence" in the local law, or you may call it, special law. . . .

The Honourable Sir Brojendra Mitter (Law Member): May I draw my Honourable friend's attention to the definition given in the General Clauses Act, and there, the word "offence" is defined clearly. Honourable Members will find that the word "offence" is defined in the General Clauses Act as follows:

"(3) offence shall mean any act or omission made punishable by any law for the time being in force."

Sardar Sant Singh: I am thankful to the Honourable the Law Member for reading the definition of the word "offence" from the General Clauses Act which I myself intended to read in this connection.

Now, I am trying to make it clear that the word "offence" is not defined in this Code, and we have got to take the aid of the General Clauses Act to find out the definition of the word "offence" and apply it to this offence as it is made punishable in this clause. I submit that the object of the conspiracy is the use of criminal force, use of force with the intention of committing an offence, against whom? Against the administration of any State in India. And again, "administration of any State in India" is not defined anywhere. Now, I shall revert to the section of which this is a reproduction in a modified form. This is what section 121A of the Indian Penal Code says:

"Whoever, within or without British India, conspires to commit any of the offences punishable by section 121, or to deprive the Queen of the sovereignty of British India or any part thereof, or conspires to overawe, by means of criminal force or the show of criminal force, the Government of India or any Local Government, shall be punished with transportation for life" and so on.

Now, the "Government of India" is defined again as constituting the Governor General in Council or the Governor General. Similarly, the "Local Government" is defined as constituting the Governor or the Governor in Council. My point is, you want to make the use of criminal force punishable—against whom? Against the administration. Now, what is the administration? That is not defined. Whether "administration of a State" means the ruler of the State or its Ministers. . . .

An Honourable Member: Or the Government of the State.

Sardar Sant Singh: What is the Government of the State? So far as the Penal Code is concerned, the Legislature has clearly defined against whom this force is to be used. It is to be used against the Governor General or the Governor General in Council, meaning thereby Members of the Governor General's Council, but in the case of the administration of a State, there is absolutely no indication as to what the Legislature intends by the phrase "administration of a State". As I pointed out by reading the various definitions from the Indian Penal Code, the use of

criminal force means using force without the consent of that person. Well, what is the person without whose consent this use of force is going to be made punishable? That is the point. I will make my position still clearer. If you will read this section after what I have submitted to the House, the absurdity of the drafting of this section will be clear.

"Whoever, within or without British India, conspires to overawe by means of criminal force or the show of criminal force, the Administration of any State in India, shall be punished with imprisonment which may extend to seven years, etc".

Now, criminal force means use of force without the consent of the person. Who is the person whose consent is necessary? Of course, every use of force is not criminal. The use of force becomes criminal in certain circumstances, and those circumstances are that the force shall be used against a person without his consent. Now, what is that person without whose consent force is to be used? There is no such person. As I pointed out, while making my speech on the general consideration stage of this Bill, there should be some definition of the administration of a State which this Legislature wants to protect. There is no such definition. Raja Bahadur Krishnamachariar tried to meet my point by saying that a ruler of a State can issue a *firman*, and that *firman* is the law of the State.

An Honourable Member: Is the administration of the State.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): I said the law of the State.

Sardar Sant Singh: Yes, the law of the State, and I pointed out a very apt illustration in the person of the ruler of the Alwar State. Here the ruler, by some act of the Government of India in the Political Department, was asked to leave the State, and he left the State. He can issue a *firman* to the effect that the particular administration which is being carried on at Alwar at this time is an illegal administration. Will the Government of India allow it? The anomaly is quite clear. You want to punish conspiracies against the administration of a State, but the administration of a State may mean one thing today and another thing tomorrow. How is the Court, which will have to administer this law, going to judge what is meant by the administration of a State? May I ask if the Government of India will do this,—to prosecute the Foreign or Political Secretary for conspiring to overawe the administration of a State by use of criminal force and if the administration of a State means the person for the time being the ruler of the State—will he be punishable under this section, or is there any section in favour of the Foreign and Political Department?

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): If he becomes a member of a *jatha*.

Sardar Sant Singh: No. Supposing there is a conspiracy between the Foreign Secretary and his assistant in the office—I am talking of conspiracies, conspiracy means an agreement between two or more persons.

Sir Muhammad Yakub: To commit some offence.

Sardar Sant Singh: And what is the offence? The use of criminal force. And what is criminal force? Use of force without the consent of the person, and if the consent of the person means the consent of the ruler, then the Foreign Secretary or Political Secretary comes within the grip of this law. If you look at the Indian Penal Code, there is a big Chapter containing several *Exceptions*. Where a Sessions Judge or a High Court Judge orders a person to be hanged, they find protection under the proviso that judicial acts are exempted. But is there anything in this measure where that kind of exemption is granted to the Foreign and Political Department. I am only illustrating my case. I am not saying anything against the integrity of the Foreign and Political Department. For the purpose of illustration, I am putting it before those who are responsible for the drafting of this section, whether such an act of the Foreign and Political Department will not fall within the definition of this clause. I will wait till the Honourable the Law Member gives his opinion on this clause, because I quite recognise that he is an expert in this branch of interpretation of legal Statutes.

The Honourable Sir Brojendra Mitter: Not expert in conspiracies.

Sir Muhammad Yakub: He will soon become one when he reverts to Bengal!

Sardar Sant Singh: Coming to the principle underlying this clause as it stands, I am opposed to the principle which underlies this offence. One can understand and can enforce an allegiance from the subject of a State to the State itself, I mean to the Government itself of which he is a subject. But how can you show allegiance to an administration of which you are not the subject, whose protection you do not seek, to whom you do not pay any taxes, or to whom you do not owe any allegiance? Why should we punish conspiracies against the administration of that State so long as that conspiracy does not fall within the definition or the offence in British India? If the agreement arrived at between certain persons is to do an act which amounts to an offence within the provisions of the Indian Penal Code or of any local or special law, I can understand if that conspiracy is to be punished, and it is already made punishable under section 120B of the Indian Penal Code. But I cannot understand how it can be made punishable if I conspire to overawe a State to which I do not owe any allegiance. So long as I confine myself within the law in force where I am living, where I am residing, I do not see why I should be punished for making a conspiracy against a State to whom I do not owe any allegiance. On this point I want to quote the opinion of Mr. Justice Niamatullah of the Allahabad High Court, page 9 of Opinions, No. 6. He says:

"It is not fair to State subjects to be deprived of the right to criticise the State administrations even in British India. Section 121-A of the Indian Penal Code which is to be applied to the States is far reaching in its scope. State administrations which are very sensitive will constantly clamour for action being taken against alleged offenders. The demand for prosecutions will be far greater than there is at present by the British Indian administration who are far more judicious.

I am against the proposed legislation unless the States agree to a certain amount of reciprocity."

With these words, I move my amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That clause 2 of the Bill be omitted."

The Honourable Sir Brojendra Mitter: My Honourable friend, Sardar Sant Singh, has referred to several definitions in the Indian Penal Code, for instance, the definition of force, the definition of criminal force, the definition of offence, and so on. But I wish to make it perfectly clear at this early stage that the definitions of the Indian Penal Code will not apply to this measure at all. The Bill when introduced sought to amend the Indian Penal Code. If the Bill were an amendment of the Indian Penal Code, then, no doubt, all the definitions contained in the Indian Penal Code would have been attracted to the measure, but now it is a self-contained measure. That being so, you cannot refer to the definitions in the Indian Penal Code. Then, the next question is, if you cannot get the definitions from the Indian Penal Code, how are you to interpret a particular section. My answer is this. You have to turn to the General Clauses Act and to see if any of the terms used in this Bill are defined there. If so, well and good. If not, then we fall back upon the ordinary legal sense, that is to say, the ordinary dictionary meaning of the terms. Take this term conspiracy. Conspiracy is defined in the Indian Penal Code. Now, that definition is not available to us. Therefore, what are you to do? It is not in the General Clauses Act. Turn to any authoritative book on criminal law and find out what is understood by the word "conspiracy" in criminal law. When my friend was putting his point of view, I turned up Russell and I found the meaning of the word "conspiracy" there. Well, if you find the meaning of the "conspiracy" in an authoritative book like Russell, every Court will accept it. Supposing it were not in any book, then you turn to the ordinary dictionary meaning. The rule of interpretation is that, in the absence of any technical meaning attached to a word, you have to turn to the ordinary dictionary. There is no difficulty in it. Where there is a definition in the General Clauses Act, that definition will hold good. Where there is no such definition in the General Clauses Act, the text books may help. If the text books are silent, then the ordinary dictionary will help. Therefore, there is no difficulty.

The next point that my friend made was that the administration of a State was liable to change from time to time. If I understood him correctly, I hope he will correct me if I am wrong, I understood him to say "Here is an administration existing at the present moment. It may be that tomorrow the Government of India will change the character of that administration, will put an administrator of their own in the place of the ruling prince. Are the Government of India guilty of the offence of conspiracy in overawing that administration?" I say No, because, in the relation between the Government of India and the States, it is inherent that in certain contingencies the Government of India may intervene and take over the administration or alter the nature of the administration. It is inherent in the relationship. Call it Suzerainty, Paramountcy or what you will. That being so, changes in the administration will not involve an illegal act if that change is brought about by the Government of India on the happening of contingencies warranting intervention. If there be no illegal act, there would be no conspiracy. I do not see where the difficulty comes in.

Sardar Sant Singh: May I interrupt my Honourable friend for a minute? On the 1st of May, a conspiracy is hatched and the man is prosecuted. On the 5th of May, the administration changes hands and the prosecution is pending in a Court. By the inherent right of the Government of India, the administration of the State was replaced by a Government of India administrator. Will that conspiracy be punishable under this Act?

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): May I put a question . . .

The Honourable Sir Brojendra Mitter: Let me first answer Mr. Sant Singh's question. As I understand it, the question is this. On the 1st of May, a particular administration is established in a State. A prosecution is started against some people who conspired to overawe that administration. When the trial comes on, that administration had been changed by the Government of India and a different administration had come into existence. Will that prosecution stand? That is a practical question and take a practical view. If the Government were about to change the administration and if there was also a conspiracy to have that administration changed by show of criminal force, is it likely that, on the eve of the change, the Government of India will at all launch a prosecution? Assuming it did launch a prosecution. Assuming that at the time of the trial it transpired that the administration had changed by Government action which it was the object of the conspiracy to bring about, then the prosecution will be withdrawn. That is all. Where is the practical difficulty? I do not see.

Mr. B. R. Puri (West Punjab: Non-Muhammadan): If it is not withdrawn, what will be the position? The offence is there. It was committed at the time when a particular administration is in force and the question is whether it is an offence or not. That is to be judged with reference to the conditions which are in existence at the moment when the offence is alleged to have been committed. There is no difficulty in answering that. The only thing is, if the administration has since changed hands, when we come to the question of the sentence, that might go towards the mitigation of the sentence unless the Government of India in the meantime choose to withdraw the prosecution itself.

The Honourable Sir Brojendra Mitter: I quite follow that. There is no doubt that technically the offence was committed on the 1st of May.

Mr. B. R. Puri: In the light of the incidents which happened later, the nature of the offence has not changed.

Sardar Sant Singh: Might I, with your permission, answer my friend, Mr. Puri. He is absolutely ignoring the most healthy provision in the General Clauses Act and that it is not the date of the commission of the offence that makes the offence punishable. It should be an offence on the date of the conviction. If, at the date of the conviction, it ceases to be an offence, no Court can punish a man for that. I draw my friend's attention to the provisions of the General Clauses Act.

The Honourable Sir Brojendra Mitter: If at the time of the launching of the prosecution there was an offence, but if at the time of the trial circumstances had so changed that it would not have been an offence, then

ipso facto the prosecution must collapse. That collapse may be brought about by withdrawing the prosecution or by not adducing evidence, as Mr. Puri knows very well. There are so many ways in which you can drop a prosecution. These are academic questions; there won't be any practical difficulty.

Sir Abdur Rahim: May I now ask my question? It is this. In clause 2, the words "Administration of any State in India" occur. The words "established by law" occur in the Indian Penal Code both with reference to the Government of India and Local Governments. Have the Government advisedly dropped or omitted this phrase? If so, may I ask why that phrase "established by law" has been dropped?

The Honourable Sir Brojendra Mitter: If my learned friend will excuse me, there are certain amendments for the introduction of the words "established by law". Would it not be more convenient that this question should be discussed at that time? I have got my answer, but it will be more convenient to discuss it at that stage, I think.

Sir Abdur Rahim: I have another question. As regards the meaning of these words "conspiracy" and "criminal force", my Honourable and learned friend said that the definition given in the Indian Penal Code will not apply. Technically it will not apply, but was it intended that they should not be applied, or it is a mere omission?

The Honourable Sir Brojendra Mitter: Sir, when the Bill was introduced, as I explained, it was intended that the definitions in the Penal Code should be attracted by this clause, but when we changed the form of the Bill, well, we did not—and Sir Abdur Rahim was on the Select Committee—we did not apply our minds to that question at all. But it creates no practical difficulty for the reason that the meaning of the word "conspiracy" is exactly the same in Russell, in the dictionary and in the Indian Penal Code. Therefore, whether you attract the Indian Penal Code or you attract the legal concept of it, as given in the text-books, comes to the same thing, but I frankly confess that at that time we did not apply our mind to this specific question.

Sir Abdur Rahim: What about the words "criminal force"?

The Honourable Sir Brojendra Mitter: That would be the same. Criminal force is force used with a criminal intent or knowledge,—that is the ordinary meaning. This ordinary dictionary meaning is the same as the definition in the Indian Penal Code. In all these matters, I find that the definitions in the Penal Code are really very little different from the ordinary legal meaning.

Mr. Jagan Nath Aggarwal (Jullundar Division: Non-Muhammadan): The Honourable the Law Member was pleased to tell us that if the Penal Code definition will not apply, then the definition in Russell or the ordinary dictionary meaning will apply, but my answer to that is that this conspiracy section was added to the Penal Code in 1918 to bring the law into conformity with the English law, and obviously it meant that the English law was not applicable. If this is so, and if the Penal Code definition is inapplicable, my point would be that the dictionary definition or the English law definition would not be of any use.

The Honourable Sir Brojendra Mitter: No, Sir. I do not agree with my learned friend, Mr. Aggarwal, when he says that the word "conspiracy" was defined in the Penal Code to avoid the meaning of the term as in English law. The reason is this. The Penal Code is a self-contained Act and the Penal Code contains a large number of definitions. When a new offence was created by section 120A, it was necessary that having regard to the structure of the Penal Code a new definition should be inserted there,—not because the meaning was any different from the English law. In this Bill, we are not defining the ordinary legal terms. Therefore, we have to fall back upon the General Clauses Act, upon text-books and dictionary meaning. Sir, my substantial point is that there is no difference between the definitions in the Penal Code and the ordinary legal concepts as found in the text-books, or, for the matter of that, the ordinary meaning as found in the dictionaries.

Mr. B. Das (Orissa Division: Non-Muhammadian): Sir, I rise to support the motion moved by my Honourable friend Sardar Sant Singh. Not being a member of the learned profession of wig and gown, I could not follow very much the little interludes that my legal friends created by addressing each other as "my learned friend" on the floor of this House. Our tradition is to address each other as "my Honourable friend", and not only that, but I know that although members of the learned profession of the legal fraternity fight with each other like Kilkenny cats, yet they address each other as "my learned friend". Sir, I do not like that in this Legislature, which makes laws and lays down the law for these legal gentlemen for them to fight in the High Courts or for these High Courts to interpret the law which we make, our legal friends should bring in an atmosphere of the law Courts into this Honourable House and bring in the names of Acts and laws which we have never heard of and do not want to hear of. Now, the lawyer gentlemen seemed to have made some points, and the Honourable the Law Member—I won't say the learned Law Member—butted in, but in what he spoke from that side which I found was not at all greeted as convincing by the legal luminaries on this side and was rejected by them—he could not convince any learned Member on this side of the House.

Mr. B. R. Puri: I supported the view of the learned Law Member.

Mr. P. Das: Well, Sir, as a layman, as an ordinary man of the world, as a common sense man, I feel a doubt whether I am not a conspirator under the interpretation of this law. I have not got sufficient money to engage my Honourable friend, Mr. Bhagat Ram Puri, or my Honourable friend, Sardar Sant Singh, to fight my cause in the law Courts to prove that I am not a conspirator.

The Honourable Sir Brojendra Mitter: I won't prosecute you.

Mr. B. Das: You will not prosecute me, but you will be in another place and by that time this Bill will be in operation and the Honourable Sir Harry Haig will see that B. Das is prosecuted. Sir, what happened this morning?

Mr. S. G. Jog (Berar Representative): The Honourable the Law Member means that he will defend you.

Sir Muhammad Yakub: Without charging any fee.

Mr. B. Das: Sir, I received a dozen visitors. What I understand from my legal friends is that if five gentlemen meet outside, they will constitute an unlawful assembly. That, I understand, will be so even if they meet inside. Now, these dozen gentlemen came to see me recently, because I have become the champion of the fallen and of the downtrodden (Hear, hear), and so naturally the people of the Indian States always come to me to represent their case, so that I can ventilate it on the floor of the House. Sir, what will happen? After a year since this Bill becomes an Act, these Indian States people will come to me to ask whether this Act could be amended

Sir Muhammad Yakub: Is it an invitation to them to do so,—from the floor of the House?

Mr. B. Das: Then, will the Honourable the Home Member ask his police satellites to arrest me as I was conspiring against some petty State such as Kapurthala, Patiala, etc?

An Honourable Member: They are petty States? Kapurthala and Patiala are not petty States.

Mr. B. Das: Well, I mean they are all petty, because their manners are so petty,—that is the point which is agitating me. One point that struck me very much in the speech of my Honourable friend, Mr. Glancy—and I take this opportunity to congratulate him on that very lucid speech of his—was that my Honourable friend did not show his temper and he did not even reveal his mind or his hands. He did not reveal the cloven hoof nor the mailed fist that is concealed behind the sweet smile of the Honourable Mr. Glancy, the head of the Political Department.

Mr. S. G. Jog: That is the trait of the Political Department never to show temper.

Mr. B. Das: He made a statement that rather pleased me. He stated what was the function of his Department and what was the function of the Government of India and their Political Agents regarding the administration of the States and towards the States. On the 5th February, he made the following statement on page 530:

“As regards the function of the Government of India, various Honourable Members have expressed widely divergent views as to what the practice of the Government of India ought to be. I do not propose to argue about what the practice ought to be, but I shall merely content myself by saying in a few words what the accepted position actually is. The position is that where serious mis-government prevails in an Indian State, the Government of India do regard themselves as under an obligation to intervene. That has been made plain in many pronouncements, and I hope I am betraying no secret when I say that ordinarily, where intervention becomes necessary, it takes the form in the first instance of advice and persuasion. If that advice is heeded, the public, unless somebody is indiscreet, hears nothing further of what has occurred. It is only when the advice passes unnoticed that recourse is had to more extreme measures. The Government of India are fully alive to their responsibilities and do their best to fulfil them.”

Sir, this statement in spite of certain “ifs” and “buts” rather gave the Magna Charta to the Indian States people for whom I have pleaded on the floor of the House. The Honourable the Home Member also stated that the Indian States people had the right of a representation to the Government and to the Honourable the Political Secretary and his subordinates, namely,

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the Political Agents. But, Sir, in practice we find that this is not the case. Sir, this morning the representatives of the Patiala people stated the case to me. They have approached the Political Secretary and they have also approached the Political Agent of the Punjab States, but they have not been given a hearing. I will just quote a few lines of that statement. I am not laying any charge against the princes. That is not my intention, because it is of no use. I want to create goodwill between the princes and the people of the princes. I find that it is not the princes that are standing against the people, but it is because that my Honourable friend, Mr. Glancy, is not exercising his proper jurisdiction and is not compelling the princes to do their duty that they are evading their responsibilities towards their people. The statement says:

"About 125 Patiala subjects waited at the door of the Secretariat for a reply on 5th February, 1934, and were arrested while sitting in a lawn outside the Secretariat. They were released on the 6th February, as they were found to have committed no offence. The Deputy Commissioner of Delhi and the Resident Magistrate, New Delhi, assured the prisoners that the Political Secretary will receive a deputation on their behalf. Seven names of the proposed deputationists were given to the Deputy Commissioner who took down the names and about an hour after the Resident Magistrate, under the direction of the Deputy Commissioner, confirmed the arrangement. The Political Secretary, however, refused to give a hearing and did not even permit Mr. Anrit Lal Seth, the General Secretary, Indian States Peoples Conference, to wait upon him. He directed Sardars Ridha Singh and Katar Singh to present the Patiala peoples case to the Honourable the Agent to the Governor General at Lahore and assured them that the Agent would give them a hearing. Number of written requests were made for a direction in writing, but without any result. A deputation consisting of the Secretary and one member of the Executive Committee of the Patiala Riasi Parja Mandal proceeded to Lahore and requested for an interview but their letters and telegrams were not even replied to. The deputationists had to return disappointed after waiting for more than 10 days at Lahore. This is a sample of the response paid to the grievances of the subjects of the States against the misrules of the princes who are sought to be protected by the Princes (Protection) Bill now before the Legislative Assembly."

This is signed by "Jagir Singh Phagoosinghwala, Secretary, Parja Mandal Patiala, Gurdwara Sis Gunj, Delhi".

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Are these facts correct?

Mr. B. Das: These facts were published in the *Hindustan Times* and also in the *National Call*, and in other nationalist papers. Then, Sir, the Honourable the Home Member, the mighty representative of the Government of India for law and order, made a pronouncement. He said that the Indian States people whenever they wanted to approach the representatives of the Government of India in the Political Department would be given a hearing. Sir, while we were considering the Indian States (Protection) Bill, the Political Secretary must have been busy here, but these poor people were arrested in the North Block or the South Block of the Secretariat and responsible Government officials like the Deputy Commissioner of Delhi gave them an assurance. And yet they did not get a hearing from my Honourable friend nor from the mighty Agent of the Governor General in the Punjab States. This illustrates the type of grievances I have in my mind. My first point, as I tried to make it out, is whether, if these people bring their grievances to me after this Bill becomes law, do I become a conspirator, and whether I conspire with these people to subvert the throne of Patiala or Kashmir or Bhopal or any other State? That is a point to

which I want a specific reply. If I know that I will be arrested and will be charged with conspiracy, I will not be able to function properly as a legislator and as a Member of this House in future, because I would be in constant fear as I go out of this Legislative Chamber of being arrested by the police under the orders of my Honourable friend, Sir Harry Haig. The police will arrest me and take me to the Delhi prison where my old friend, Mr. Patel, was imprisoned for a few days. That is my first point.

My second point is whether the assurances given by responsible heads of Government like the Honourable the Home Member and the Political Secretary who, at times, is mightier than even the Honourable the Home Member, because the Home Member has only the command of the police and can order the arrest of a few politicians and send them to the jail, but my Honourable friend, the Political Secretary, when he presides over the phalanx of gilded and be-jewelled princes, feels that he is translated to the mediæval age and thinks that he is a Roman Emperor or something of that kind. My Honourable friend, the Home Member, yet faces the reality, but my Honourable friend, the Political Secretary, is always translated to that mediæval and barbaric atmosphere surrounded by be-jewelled princes. But let me tell him that sometimes these jewels are not real ones; they are faked jewels and pastes. My Honourable friend, Mr. Glancy, may feel that he is the Roman Emperor Nero and he is there to order about not only these princes but do as Nero did something when the people of Rome suffered. My Honourable friend, Mr. Glancy, in his anxiety to satisfy these satellites, who sit round him, these Indian princes, has seldom time to think of the people of the Indian States and their grievances. That is my main grievance, and that is why I urge that this clause should be omitted.

For whom is this conspiracy clause put in? The clause is not for the protection of the people of the Indian States and I just now quoted the passage from the speech of the Honourable the Political Secretary wherein he states that pronouncements had been made in the past to give protection to the people of Indian States. I make a serious accusation and ask what about the pronouncement of Lord Irwin and what happened to it? Lord Irwin issued a circular letter through, of course, the predecessor of the present Political Secretary, I mean Sir Charles Watson, that these princes should concede certain elementary rights to the States people. Did these princes respond to that circular? I read line by line and through the line, and I did not find reference to one reply that my Honourable friend received from any prince of an assurance that the princes will deal fairly and squarely with their State subjects. What is the use of telling us that that has been made plain in many pronouncements? When a new Finance Member comes, he repudiates the policy of his predecessor. So also when a new Government comes, it repudiates the policy of the predecessor Government. So, I ask, why should not the present Political Secretary repudiate the policy of his predecessor's pronouncements? Lord Irwin, the much beloved Viceroy of India, with a pure and simple heart, wanted to allay the feelings and excitement of the people of the Indian States, and so he issued that well-known circular letter to all the princes. My Honourable friend, the Roman Emperor Nero of the Political Department,—I do not mean anything personal to the Political Secretary, but the Political Secretary is more powerful than even the Viceroy of India and more powerful than any Roman Emperor had ever been—did my Honourable friend, the Political Secretary, exact from every prince a letter of assurance? Did my Honourable friend take the trouble of going to that Chamber of Horrors, I mean the Chamber of

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Princes, did my Honourable friend tell the princes when they came to deliberate in that Chamber, that "you have not replied to the Viceroy's circular letter, you have not taken any steps to redress the wrongs and grievances of your States people". I submit, nothing was done. Then, this idea of Federation came in. We have had to swallow this idea of Federation, we have to swallow elephants, why not swallow the little gnats of princes? They can only sting in our stomach, after all they are our brothers and we have to tolerate them, we have to overlook their faults and their mistakes. I shall ask the Political Secretary one question. In page 535 of the Assembly Debates, my Honourable friend was talking of the other Princes (Protection) Act which was thrown out by this House but which was certified at the instance of a predecessor of my Honourable friend by the then Viceroy, Lord Reading, and my Honourable friend said:

"To all intents and purposes, that piece of legislation fell *still born* from the Statute-book".

That is a splendid confession. So whether it was made still born by the mad orgies of the Indian princes or whether the draftsmen of the Legislative Department could not draft it properly or whether all the weapons of torture and repression that were designed to be administered against the poor Indian editors in British India did not take effect, I do not know. But I would like my Honourable friend to read a few funeral orations about that still born child which was born in 1923 and yet the Political Secretary in his reply stated that three editors of the Indian press have been prosecuted at the instance of the princes. Sir, what do the princes want, every one of them wants mediaeval and barbaric rule, they do not want civilised law, civilised justice. What the Indian princes want is that these British Indian editors should be taken to States like Patiala, Bhopal, or Hyderabad or Mysore, and that summary justice should be done to them there. They will be taken to prison houses and there their heads will be chopped off. That is what the princes asked of the Political Secretary. Unfortunately, when we legislate, we cannot anticipate the legal subtleties of my Honourable friends, the lawyers, who belong to the learned profession of the Honourable the Law Member. These gentlemen use all their legal brains and subtleties in Courts of law, and I do not know how justice is helped by the profession of the legal fraternity, because I always find one lawyer advancing the cause of one side and the other lawyer advancing the cause of the other side. I submit that one side must be right and the other wrong, and how is the poor Judge to decide which is right and which is wrong?

The Honourable Sir Brojendra Mitter: There is all the difference in the world between law and justice.

Mr. B. Das: That has thrown much light. That means that lawyers can talk lies, and justice and the course of justice will still go on. What is the intention of the Political Secretary? Does the Honourable the Political Secretary intend that this new child also should be still born, this new child which is fathered by two gentlemen, the Honourable Sir Harry Haig and Mr. Glancy? Is this also going to be a still born child, or whether the legal luminaries inside this House and outside in the country will not make it impossible for the High Court Judges to interpret it in the same way as the Roman Emperor Nero of the Political Department wants it to be interpreted? These Indian princes, if I can interpret their minds, want to prosecute every Indian editor. I have met some of these editors who have been prosecuted

under that still born Act, the Indian States (Protection) Act. A case has been going on against my friend Sardar Dewan Singh, of *Riyasat*, for the last four years. Either the British system of administration of justice is a farce or there is no case against this gentleman or that British sense of justice means persecution for years and years, so that, although no punishment is meted out to the man, the man is put under the heavy shackles of legal machinery and he is obliged to borrow money and engage lawyers on fat fees and continue the fight in the law Courts with the result that the man eventually dies of starvation. This is how the mighty opponents, the Indian princes, tire out poor editors of Indian newspapers. The princes have got ample resources. If the Government of India want to administer justice, it is justice between the small editor and the mighty Indian prince who uses not only all the mighty resources at his disposal, but also the personal influence which he can exercise over the Political Secretary. It came out recently in one case which was filed by the Inspector General of Bhopal against this very editor

Sir Muhammad Yakub: Is the Honourable Member entitled to refer to a case which is *sub judice*?

Mr. B. Das: I am not referring to any case which is pending in the law Courts under the States (Protection) Act. If my Honourable friend had the patience, he would have found out what I was referring to. I asked a series of questions, and my Honourable friend was probably busy in connection with the Reserve Bank and the Statutory Railway Board Enquiry in England. I asked a series of questions quoting from the judgments of the Additional District Magistrate of Delhi and the Judge of Delhi and the High Court Judge of Lahore. Sir, these facts are all common knowledge. But what happens? My Honourable friend, Mr. Metcalfe, replied that they had no knowledge that the Bhopal police came to search any houses in Delhi. Such is the power of these princes that they enter British India and search houses and carry on investigations completely without the knowledge of the Indian police and the Government of India.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): How was that possible?

Mr. B. Das: It is quite possible. If my friend wants, I will hand over the whole judgment to him. Sir, the princes seek protection, but we British Indians seek protection from these princes, from the inroads of their vile administration. I do not want that the Delhi Province administration should be corrupted by the inroad of a few police from Bhopal State or any other State. I may assure Sir Muhammad Yakub, who is an old friend of mine, that I do not mean anything against any particular State. It is the principle that I am dealing with here. When I speak again on Monday, my friend will know the whole facts, and I will read out judgment after judgment which Justice Tek Chand delivered in the Lahore High Court and some Magistrates delivered in the Delhi Courts.

The main thing is that I am frightened to read the contents of this Bill as it has come out of the Select Committee. My Leader Mr. Neogy was a member of that Select Committee; the revered Leader of the Opposition, Sir Abdur Rahim, was a member of that Committee. I feel frightened

[Mr. B. Das.]

how these legal luminaries forgot the common sense point of view and were a party to some of the phrases. Of course, with one part of the Bill, I agree. With regard to these *jathas*, I feel that Government have made out a case. The Honourable the Home Member wanted to know at the Simla Session what was my view on *jathas*. I have not expressed any views on that matter, but today I say that Government have convinced the Select Committee that certain legislation must take place about *jathas*. I agree with that; but as to the other matters, I could not understand, not being a lawyer, how my Honourable friends, Sir Abdur Rahim and Mr. Neogy, were parties to clause 2 as it has been drafted. Sir, I was saying that what we British Indians seek today is protection from these princes. A prince, with his large resources, with his dinners, polo, tennis and banquets and other things will go and tell any District Magistrate, even in my own district of Cuttack, that this B. Das is a rascal who is conspiring against all the petty 26 Orissa States that live on the hills of Orissa. They will say that this B. Das is conspiring against the administration of these petty Indian States. There is no administration, except a few honourable exceptions, in these Orissa States. In Orissa, there is a particular State, called the Patiala of Orissa,—I think Mr. Glancy knows it or he may refresh his memory, and that particular State takes pride in doing horrible things which are only suited to the Chamber of Horrors in London. Sir, I seek your protection; you have to protect our rights and liberties. Today we British Indians ask for protection from the horrors of this Bill, so that these princes may not influence the Government to harass public men who do their public duty to the Indian nation, both subjects of British India and of the Indian States. I listened to the speech of the Home Member on the second stage and when he replied. He did not say one word except what was said by Mr. Glancy last Session. He did not say that certain elementary rights will be conceded to the Indian States people, and, as I said before, they are the blood of my blood and the flesh of my flesh, and how can I keep quiet? My Honourable friend, the Home Member, says that legitimate criticism will not be prevented; but who is to judge legitimate criticism? Legal gentlemen will argue it out before the law Court, but I have no money to pay the Law Member who kindly suggested that he will defend me if I am prosecuted under this particular Act.

The Honourable Sir Brojendra Mitter: I will not charge any fee.

Mr. B. Das: Thank you; then you please ask your colleague on your right to give you a chance to defend me. Sir, we the British Indians, whether we are public men or editors of newspapers, will always be prosecuted. We will always be under the terror of being under the control and judgment of District Magistrates. Whenever an Indian prince will enter the District Magistrate's house and will dine at night and have evening carousals in the European Club in our small towns, we public men will be under the dread of some conspiracy being hatched, and I may be summoned for conspiring against the State of Patiala or Dhenkanal or any other State in Orissa. Sir, how long will this Government go on camouflaging things? I am not a lover of Federation,—I have made that clear. I am not a lover of the Dalhousie policy even. If I am asked to make a pronouncement as to my views about these Indian States, I will say they should be

pensioned off; keep them as State pensioners and make the whole of the territories that are under Indian States part of British India. That will solve the problem once for all. Millions of people should not be sacrificed for a few potentates who live in mediaeval barbaric glamour and glory. This Bill does nothing; it wants to perpetuate misrule and maladministration and it will not bring those redresses for which the Indian States people are clamouring since 1929 when the Butler Committee came into existence. At the same time, it is putting fetters round the necks and hands and legs of British Indians, those of us who not only fight for our own freedom, but fight for the freedom of these Indian States people. Sir, we British Indians have even the pleasure and the privilege of fighting for the freedom of humanity, but these Indian States people are today denied that. At the same time, they are denied the sympathy and the co-operation which we British Indians have extended to them so far.

These are the main objections, but I will not be a party to this measure as it is bringing fetters against my own brethren in British India. The Members of this House are facing an election in the month of November, and they are also hearing the tinkles of the bells which announce the advent of the Swaraj Party, the dawn of Congress coming to this House as was the case in those glorious days of 1923—27. This will be a feature next year. If my Honourable friend had, instead of getting this Bill through this year, introduced it next year, it would have been thrown out in the first stage, and I challenge every elected Member, if he is an Indian, if he feels for his own rights and privileges, and if he feels that he has certain rights of citizenship in British India, to deny similar things to States people. However sympathetic my friend, Mr. Ranga Iyer,—whose seat I find is occupied at the moment by my Honourable friend from Bombay, Mr. Mody—may be towards the Indian States, however sympathetic my friend, Mr. Dumasia, may be towards these potentates, let them confine their sympathies to the princes and the subjects of these princes who are enslaved by them. They are privileged to do it; but let them also realise that they should not barter away the rights and liberties which we possess and make us suffer, because a few princes will go on perpetuating their barbaric orgies for a few days or few years more till Nemesis comes down upon them when there will be no princes in India, and, I would like to see the space of the whole of India painted red, and not yellow or white.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhamadan Urban): Mr. President, I shall not keep the House long over this amendment. I merely wish to state that there is some force in the contention of my friend, Sardar Sant Singh, that the definition of an Indian State is not given anywhere, either in the Bill or elsewhere. My Honourable friend, the Law Member, suggested there will be no practical difficulty with reference to a prosecution as the Government can at any time withdraw a prosecution. But I wish to point out that there is a curious defect in this Bill. Under the similar section of the Indian Penal Code, section 121A, on which this is modelled, Honourable Members will note that the whole class or category of offences under Chapter VI cannot be proceeded against, and a person charged with them cannot be proceeded against without the previous sanction, either of the Governor General in Council or of a Local Government. In this case clause 2 comes into operation at once; there is no question of

[Diwan Bahadur A. Ramaswami Mudaliar.]

even a notification of the Local Government or of the Governor General with reference to an area where certain provisions of this Bill are necessary for keeping the peace. That comes so far as the later preventive clauses of this Bill are concerned. This is a substantive clause which penalises the thing and there is punishment for an offence of this kind. If in the Indian Penal Code under section 121A an offence of a far more serious nature against the Governor General in Council or His Majesty the King or against a Local Government can only be proceeded against with the previous sanction of the Governor General in Council or of a Local Government, I venture to submit that it is only reasonable for an offence of this character against an administration which is an inchoate thing, of which people are not quite aware in many States, especially during the transitional stage, that there must be necessarily the previous sanction, and I suggest that the previous sanction of the Governor General in Council is necessary for an offence being prosecuted under this clause. There are many

Mr. President (The Honourable Sir Shanmukham Chetty): Probably it will save time if it is mentioned that the Chair has just got notice of an amendment to the effect that no Court shall take cognizance of an offence punishable under section 2, unless on complaint made by order of, or under authority from, the Governor General in Council or a Local Government, and the Chair understands that the Government are accepting the amendment.

Diwan Bahadur A. Ramaswami Mudaliar: I am very glad that that amendment is going to be accepted, and I do not, therefore, want to prolong the controversy. I was just going to point out the difficulties which might arise if there was no such amendment, as anybody cannot really, under the provisions of the Penal Code, proceed against a delinquent.

The Honourable Sir Harry Haig (Home Member): Sir, with reference to the point which has just been raised by my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, and the amendment which you, Sir, have mentioned, the provision requiring sanction of the Governor General in Council or a Local Government was, I think, omitted by an oversight from our redraft of the Bill when we took it out of the form of the Penal Code. As originally drafted, the provisions of the Criminal Procedure Code would have applied and sanction would have been necessary, but provision for this was not made when we substituted a different form in the Select Committee. So far as the Government are concerned, when the time comes, we shall certainly be very glad to accept that amendment.

The other Honourable Members who have spoken on this amendment have raised points of a general character. My Honourable friend, Sardar Sant Singh, was, I understand, in the main giving Government a piece of friendly advice that they should not enact a provision which was not effective and which did not really carry out their intentions. I think my Honourable friend, the Law Member—at any rate I hope—has satisfied my Honourable friend opposite that in fact the provision will be effective and will carry out our intentions. . . .

Sardar Sant Singh: With very great respect to his legal training, I must say that I am not satisfied with the explanation of the Honourable the Law Member.

The Honourable Sir Harry Haig: The only thing I have to add is that this clause, as amended, did undergo the scrutiny of the Select Committee which contained a number of distinguished members of the Honourable Member's own profession, and I think they are generally satisfied that it carries out our intentions.

My Honourable friend, Mr. Das, has given us a long speech which at times sounded to me as if by some accident it had failed to be delivered on the second reading of this measure, or perhaps by some accident had anticipated the speech which he would have otherwise delivered on the third reading. Apart from his general reflections on the Bill, it appeared to me that the Honourable Member—I am sorry he is not here at the moment—was suffering from a certain state of morbidity, that his conscience was in some way overdeveloped, that he felt that he had more than the usual allowance of original sin, a view of his conduct and character which I am sure none of his friends would share—and that he might somehow find himself committing the sin of conspiracy. I would only remind him that though the term “conspiracy” is not defined in this Bill, it has a quite definite meaning as my Honourable friend, the Law Member, has already pointed out, and that it would be necessary before anybody can be held guilty of conspiracy, that he should commit an illegal act or should commit an act which is not illegal by illegal means, and I am confident that my Honourable friend will not fall into such actions by any inadvertence and that he will certainly not fall into them by intention. Therefore, I think his conscience might be allowed to sleep and he need no longer exaggerate the possible iniquity of his intentions, as he has exaggerated, I am afraid, the iniquity of the character of my Honourable friend, the Political Secretary. I do not think really there is anything substantial for me to add. I understand that my Honourable friends, Sardar Sant Singh and Mr. B. Das, both objected to the principle of this clause. In that objection I do not think that they will carry with them much support in this House, because though there are provisions in this Bill to which objection is taken generally on the opposite side, I think this particular provision is not one which will generally be opposed. It is, in fact, in our view, a very reasonable provision that persons in British India should not be allowed to conspire to overthrow the administrations of Indian States. Sir, I oppose the amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

“That clause 2 of the Bill be omitted.”

The motion was negatived.

Sardar Sant Singh: Sir, I move:

“That for clause 2 of the Bill the following be substituted :

‘2 Whoever, within British India, commits any overt act and thereby subverts or tends to subvert the Administration of any State in India, shall be punished with imprisonment which may extend to two years or fine or both.’”

Sir, my object in moving this amendment is twofold. My first object is to point out that the word “conspiracy” is very wide, and absolutely innocent persons can be brought into this if this phrase is allowed to stand in the Bill. While moving the omission of clause 2, I tried to

[Sardar Sant Singh.]

point out that this clause, as it stands, would be ineffective and will make the administration of the law very difficult for the Courts who are responsible for the administration of the law. In reply to that, the Honourable the Law Member found himself in a difficult position, because the Bill, when originally drafted, intended an amendment to be made in the Penal Code, and hence all the words which are employed in this clause are intended to convey the meanings which are given to these phrases in the Penal Code itself. But now when he saw this difficulty, he turned round and stated that all these phrases were left undefined, and, therefore, according to the ordinary laws of interpretation, we should look to the General Clauses Act, and if there is no definition in the General Clauses Act, we should take the ordinary dictionary meaning. My difficulty about this objection is that in interpreting certain words which are not defined, if we have to look for a further definition to the dictionary itself, we will find ourselves to be in a hopeless position. I shall try to explain my point.

Now, the word "conspiracy" is defined in the Indian Penal Code. The evidence to prove that conspiracy is admitted under the Indian Evidence Act. Section 10 of the Indian Evidence Act lays down certain provisions by which the conspiracy to commit an offence can be proved. If the definition of conspiracy is not to be found in the special law, if we are not to look to the Indian Penal Code for the definition of the word "conspiracy" and that we have to look to the dictionary for its meaning, then, may I ask the Law Member whether section 10 of the Indian Evidence Act will cover the position and will make those facts admissible, which are made admissible by section 10 of the Indian Evidence Act? The Indian Evidence Act lays down that if a person is a member of a conspiracy, whether he knows or not the acts of another member that certain acts are being done in pursuance of committing a conspiracy, the evidence of that intentional act of another person, a member of the conspiracy, is admissible to prove the conspiracy against him,—whether the use of section 10 of the Evidence Act will cover the acts of intention to prove it. If it is so, then we will find ourselves in great difficulty. If the conspiracy is not defined in the special Act and we are not to look for its definition to the Indian Penal Code or to the General Clauses Act, the difficulty will come in applying the Evidence Act to cover acts which will go to prove that a person is a conspirator. Probably, my Honourable friend did not look to that difficulty.

Then, again, there is the question of administration of a State. "Administration" is not defined in this Bill, nor is it defined in the General Clauses Act. Therefore, we have naturally to go to the dictionary for its meaning. I just now sent for the "Webster's Dictionary" to find out the meaning of "administration", and I think this is a dictionary of some authority on this point, and this is the meaning given in it. No less than one full column meaning has been given in it, and various meanings have been given to the word "administration". Some of them mean the persons who are to carry on the executive Government of a particular State. Another definition given is the management of public affairs, the conduct or carrying on the details of Government. Now, certainly, a *chaprassi* in the office of an Executive Councillor is performing some duties; if not a *chaprassi*, at any rate a clerk in an office is performing some duty. Will he be included in the definition of any State? . . .

The Honourable Sir Brojendra Mitter: May I interrupt my Honourable friend? The meaning which my friend just now read out, is the conducting or carrying out of the details of Government. Immediately after that, he will find in the Oxford Dictionary "hence sometimes used for Government".

Sardar Sant Singh: I have got it. I did not read it, because that was a matter for inference, and it was not a matter of meaning. I will just read out the meaning as it is given:

"The management of public affairs, the conducting or carrying on of the details of Government, hence sometimes used for Government."

Sometimes used for Government—there is an inference from the dictionary meaning of the word "administration". It is not the meaning of the word "administration", and according to the rules of interpretation laid down by the Law Member, the administration means any person who is responsible for carrying out the details of the administration. Of course, it means the Government as a whole, but it also means a person who is given by that Government power to perform any of the functions of an Executive Government. Take, for instance, the Deputy Commissioner of a district. He is one of the most important parts of the machinery of the Government, and probably he carries out some of the most important works of the Executive Government. Will the conspiracy against him be punishable under clause 2 as it stands? I think, the Honourable the Law Member will agree with me that the clause is not intended for that purpose. The intention of the Legislature is to make punishable acts or the use of criminal force against the chief executive authority of the State, to put the most charitable interpretation of this clause. Here the administration of a State is not defined. We are to find out who will be affected by this conspiracy. The person affected would be the chief executive authority constituting that administration. The words, as they are in the Bill do not limit its application to the chief executive authority. Take the corresponding definition given in section 121A of the Indian Penal Code of which this clause is a reproduction. The words used there are, "overawe by force or by show of criminal force the Government of India or the Local Government". The "Government of India" is defined as the Governor General in Council or the Governor General alone. One can understand it. As the chief executive authority, he is responsible for the maintenance of law and order in a particular Government, but what about the administration of a State? There is no limit placed there. Therefore, the rule of interpretation given by the Honourable the Law Member is not correct and will be ineffective if this clause is put in force in any case. My position is that the administration of a State should be defined, and, as I have suggested in a later case, it should be defined as administration established by law. I will come to that when I move my amendment to clause 3. But here I want to point out that the dictionary meaning would not help anybody when interpreting this clause. The second point made is that practically it would not make any difference, because it is the Government which will institute the proceedings and it is for the Executive Government to find out whether action in a particular case is desirable or is not desirable.

Mr. President (The Honourable Sir Shammukham Chetty): The Honourable Member must now confine himself to his own amendment. He uses the words "administration of a State" in his own amendment.

Sardar Sant Singh: This is an alternative amendment. I am coming to that. But I am just dealing with the rule given by the Honourable the Law Member. My submission is that so far as the taking of action is concerned, we are not concerned with it. That is for the consideration of the Executive Government. A lawyer or a judicial officer is not concerned with the motives of the Government as to why a particular case is instituted against a particular person and why it is not. Faced with these difficulties as we are, I suggest that conspiracy should be cut out entirely and that action should be taken only against those persons who are actually guilty of an overt act in pursuance of a conspiracy to subvert or tending to subvert the Government or administration of a State. The words "administration of a State" will have a meaning when we use them in collaboration with the words "subverting or tending to subvert". Everybody can understand what is subverting the administration of a State, but nobody can understand what is the using of criminal force against the administration of a State. Therefore, I am perfectly justified in using the words "administration of a State" when I use them in connection with subverting or tending to subvert the administration of a State in India. A Government may be subverted, but a conspiracy to overawe by use of force or criminal force cannot be entered into against an indefinite term like the administration of a State. Therefore, I move my amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That for clause 2 of the Bill the following be substituted :

'2. Whoever, within British India, commits any overt act and thereby subverts or tends to subvert the Administration of any State in India, shall be punished with imprisonment which may extend to two years or fine or both.'

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, I rise to support this amendment. I wanted to speak in favour of the first amendment moved by my Honourable friend, Sardar Sant Singh, that clause 2 be omitted . . .

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member wants to speak in favour of that, first?

Mr. B. V. Jadhav: I wanted to, but I did not get an opportunity, and so, as a lesser evil, I accept this amendment, and shall say something in support of it.

It is well known that Indian States are secured against external and internal aggression by the mighty Indian Government supported by the British Government. The Government of India maintain a very big army complete in all its arms, infantry, cavalry, artillery and air force, and there is also some naval force, and if occasion requires, the whole strength of the British Empire is at the back of the Government of India, in other words, at the back of the administration, as it is called, of any Indian State. Any person who will dare to conspire against the administration of an Indian State or who will dare to overawe by means of criminal force, etc., cannot be very sound in his mind. One ought to have pity for his mental condition, and if he is for the safety of himself to be kept in a safe place, the mental asylum is the only place suitable for him.

I do not think that he should be sent to jail and tried, because a man of sense ought to know that the success of such a venture is beyond all possibility. There is no chance of his succeeding in his attempt. Therefore, such a person who conspires and those who join him in the conspiracy ought to be pitied rather than proceeded against, and, therefore, the original clause, as drafted, is not at all wanted. For this reason it ought to be omitted. But if Government do not wish to omit it, it will be better to have it in this milder form. I need not take up the time of the House in speaking further. I merely want to impress upon the House that the offence intended under this section is a very improbable one, because the conditions are so very much against any conspiracy of this sort, the odds are so very great that one cannot even conceive of any occasion when a conspiracy to overawe, etc., will be made by any sound persons. I, therefore, support this amendment.

Mr. Lalchand Navalrai (Sind: Non-Muhammadian Rural): With regard to this amendment, I have to say a few words. In clause 2 of the Bill, the words are, "Whoever, within or without British India, conspires to overawe, by means of criminal force or the show of criminal force, the Administration of any State in India . . ." Now, the amendment wants to delete the words "without British India". I think the anomaly is quite plain. The difficulty will arise, and I will give an instance. Supposing certain people in the Indian States conspire to overawe the administration. Can they be tried in British India or not? The reply will be, yes. That means, if a person were to do a certain thing in an Indian State in order to disturb the administration there, the British Courts have jurisdiction against them to try them here in British India. That is an absurd position altogether. This is not my own meaning. I also find it in the report of one of the District Magistrates. It is the District Magistrate of my own town, the District Magistrate of Larkana. What he says, while commenting on clause 3, applies to this clause also, because there the same question is tackled. He says:

"Clause 3 of the Bill is open to objection in that it appears to make it possible for a British Court to take cognizance of offences committed against the Administration of a State within the State itself. It should be made clear that British Courts should deal with offences against the Administrations of Indian States only if the offences are committed outside the boundaries of the State concerned."

Mr. President (The Honourable Sir Shanmukham Chetty): This point has been dealt with elaborately by a ruling given by the Chair. In the case of an offence committed outside British India, the person committing the offence must be a British subject, and then only the British Indian Court will have jurisdiction, but if the subject of an Indian State commits an offence in an Indian State territory, then the British Court has no jurisdiction.

Mr. Lalchand Navalrai: I was not present when that ruling was given.

Mr. President (The Honourable Sir Shanmukham Chetty): This is only interpreting the actual provisions of the Penal Code where the words "whoever within or without British India" occur. It is a clearly well understood principle of the Penal Code.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadian Rural): Is the interpretation of the Speaker binding upon the High Courts?

The Honourable Sir Brojendra Mitter: That is not the interpretation of the Chair. It is the interpretation of Courts and it is the clear language of Statutes.

Mr. President (The Honourable Sir Shammukham Chetty): In its ruling, the Chair only pointed out this clear interpretation which has long been placed upon the Penal Code. It was not the original interpretation of the Chair.

Mr. Amar Nath Dutt: Is there no possibility of another view being taken by the High Courts?

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadian): Sir, in section 121-A of the Indian Penal Code also, it is stated "whoever, within or without British India, conspires to commit any of the offences punishable by section 121", and so on.

Mr. Lalchand Navalrai: There have been instances in which I have myself seen Magistrates and Judges say that the interpretation is left to them. I do understand that, so far as the House is concerned, it is made quite clear. Certain Courts might say that we will follow that interpretation, and the other Courts may not. I am, therefore, submitting that, as we are legislating, the words "without British India" might be eliminated. Therefore, it is that that amendment is made. I have nothing more to say with regard to that.

Then, as regards the second point, in the words "to overawe by means of criminal force or show of criminal force", it is only a conspiracy to overawe. This would be very vague, and there will be no certainty of proof with regard to conspiracy to overawe, but if it is a conspiracy, and, in consequence of it, a certain overt act has been done, then there is something definite, and I would, therefore, accept the words that the Honourable the Mover of the amendment has used that it should be an overt act which subverts or tends to subvert the administration of any State. These words would be more definite and would not leave any doubt. With these words, I support the amendment.

The Honourable Sir Harry Haig: I understand that the main object of this amendment is to substitute for the provision in the Bill, which is the provision constituting an offence of conspiracy, to substitute for that a different offence—to take away altogether the idea of conspiracy and merely to punish certain overt acts. I need hardly say that any such amendment is entirely unacceptable to Government as it strikes at the root of the provision which they had intended should be inserted in the Bill. The Honourable Member is probably aware that if his amendment were accepted, it would be exceedingly difficult ever to proceed to a prosecution under it, for in the cases which we are considering the overt acts, if any, would to a large extent be committed in the States, and, therefore, we should not be able to take the preventive action that is required. The conspiracy would normally take place in British India and the overt act in the State. Therefore, I submit that the provisions suggested by the Honourable Member would really be of little or no effect.

The Honourable Member enlarged on the question of the meaning of the word "administration", but, I am not sure, in accordance with your ruling, Sir, whether it is necessary for me to give any answer on that point. I have the answer if it is raised at a later stage. Then, the Honourable Member proposes that instead of the words which we have suggested, namely, "conspires to overawe by means of criminal force or show of criminal force" the word "subvert" should be substituted, and my Honourable friend, Mr. Jadhav, developing that point said, if I understood him aright, that the offence of seeking to overawe an administration was such an improbable one that this Legislature need not take any precautions against it. Nevertheless he is prepared to make provision against what, I submit, is a more improbable and more difficult act, namely, to subvert the State, which is really going much further.

Mr. Jagan Nath Aggarwal: If a State is actually subverted, would that be punishable under this clause, bearing in mind that a successful rebellion is no rebellion?

The Honourable Sir Harry Haig: Certainly. I do not think there need be any doubt that this would be punishable, but if the Honourable Member is in any doubt on that point, and would put down an amendment to add the word "subvert", I do not think the Government would have any particular objection. In fact, I think that was a suggestion that was at one time considered in the Select Committee. I think, Sir, that deals with all the points that have been raised and I must oppose the amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That for clause 2 of the Bill the following be substituted:

"2. Whoever, within British India, commits any overt act and thereby subverts or tends to subvert the Administration of any State in India, shall be punished with imprisonment which may extend to two years or fine or both."

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

The Assembly then adjourned till Eleven of the Clock on Monday, the 11th April, 1934.



LEGISLATIVE ASSEMBLY.

Monday, 9th April, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair,

ELECTION OF THE STANDING FINANCE COMMITTEE FOR RAILWAYS.

Mr. President (The Honourable Sir Shanmukham Chetty): I have to inform the Assembly that the following Members have been elected to the Standing Finance Committee for Railways:

- (1) Mr. D. K. Lahiri Chaudhury,
- (2) Mr. Amar Nath Dutt,
- (3) Mr. R. S. Sarma,
- (4) Haji Chaudhury Muhammad Ismail Khan,
- (5) Nawab Major Malik Talib Mehdi Khan,
- (6) Mr. Bhuput Singh,
- (7) Sir Leslie Hudson,
- (8) Maulvi Sayyid Murtuza Sahil Bahadur,
- (9) Sardar Nihal Singh,
- (10) Mr. Muhammad Yamin Khan, and
- (11) Mr. A. Das.

ELECTION OF THE STANDING COMMITTEE ON EMIGRATION.

Mr. President (The Honourable Sir Shanmukham Chetty): I have also to inform the House that upto 12 Noon on Saturday, the 7th April, 1934, the time fixed for receiving nominations for the Standing Committee on Emigration, eight nominations were received. As the number of candidates is equal to the number of vacancies, I declare the following to be duly elected:

- (1) Captain Sher Muhammad Khan Gakhar,
- (2) Rao Bahadur M. C. Rajah,
- (3) Mr. N. M. Joshi,
- (4) Mr. S. G. Jog,
- (5) Mr. F. E. James,
- (6) Mr. B. V. Jadhav,
- (7) Mr. Muhammad Muazzam Sahib Bahadur, and
- (8) Mr. Badri Lal Rastogi.

THE HINDU TEMPLE ENTRY DISABILITIES REMOVAL BILL

PETITIONS LAID ON THE TABLE.

Secretary of the Assembly: Sir, under Standing Order 78, I have to report that 286 petitions, as per statement laid on the table, have been received relating to the Bill to remove the disabilities of the so-called Depressed Classes in regard to entry into Hindu temples, which was introduced in the Legislative Assembly on the 24th March, 1933, by Mr. C. S. Ranga Iyer.

Petition relating to the Bill to remove the disabilities of the so-called Depressed Classes in regard to entry into Hindu temples, which was introduced in the Legislative Assembly on the 24th March, 1933.

Number of Signatories.	District or Town.	Province.	Number of Signatories.	District or Town.	Province.
8	Guntur	Madras.	4	Guntur	Madras.
13	Do.	Do.	5	Do.	Do.
5	Do.	Do.	4	Do.	Do.
5	Do.	Do.	6	Do.	Do.
6	Do.	Do.	4	Do.	Do.
11	Do.	Do.	6	Do.	Do.
7	Do.	Do.	6	Do.	Do.
9	Do.	Do.	6	Do.	Do.
8	Do.	Do.	6	Do.	Do.
6	Do.	Do.	5	Do.	Do.
5	Do.	Do.	5	Do.	Do.
6	Do.	Do.	6	Do.	Do.
8	Do.	Do.	6	Do.	Do.
4	Do.	Do.	8	Do.	Do.
12	Do.	Do.	6	Do.	Do.
5	Do.	Do.	23	Do.	Do.
8	Do.	Do.	5	Do.	Do.
6	Do.	Do.	11	Do.	Do.
7	Do.	Do.	8	Do.	Do.
7	Do.	Do.	6	Do.	Do.
6	Do.	Do.	7	Do.	Do.
8	Do.	Do.	6	Do.	Do.
7	Do.	Do.	8	Do.	Do.
7	Do.	Do.	10	Do.	Do.
10	Do.	Do.	5	Do.	Do.
5	Do.	Do.	6	Do.	Do.
7	Do.	Do.	8	Do.	Do.
5	Do.	Do.	5	Do.	Do.
9	Do.	Do.	5	Do.	Do.
12	Do.	Do.	6	Do.	Do.
13	Do.	Do.	6	Do.	Do.
8	Do.	Do.	8	Do.	Do.
5	Do.	Do.	11	Do.	Do.
9	Do.	Do.	9	Do.	Do.
8	Do.	Do.	8	Do.	Do.
33	Do.	Do.	5	Do.	Do.
7	Do.	Do.	5	Do.	Do.
11	Do.	Do.	5	Do.	Do.
4	Do.	Do.	8	Do.	Do.
11	Do.	Do.	6	Do.	Do.
8	Do.	Do.	3	Do.	Do.
4	Do.	Do.	6	Do.	Do.

Number of signatories.	District or Town.	Province.	Number of signatories.	District or Town.	Province.
8	Guntur	Madras.	23	Guntur	Madras.
6	Do.	Do.	5	Do.	Do.
3	Do.	Do.	11	Do.	Do.
7	Do.	Do.	8	Do.	Do.
7	Do.	Do.	6	Do.	Do.
7	Do.	Do.	7	Do.	Do.
4	Do.	Do.	6	Do.	Do.
9	Do.	Do.	8	Do.	Do.
14	Do.	Do.	10	Do.	Do.
7	Do.	Do.	5	Do.	Do.
5	Do.	Do.	6	Do.	Do.
8	Do.	Do.	8	Do.	Do.
4	Do.	Do.	5	Do.	Do.
5	Do.	Do.	6	Do.	Do.
7	Do.	Do.	6	Do.	Do.
5	Do.	Do.	8	Do.	Do.
7	Do.	Do.	11	Do.	Do.
6	Do.	Do.	9	Do.	Do.
5	Do.	Do.	8	Do.	Do.
6	Do.	Do.	5	Do.	Do.
7	Do.	Do.	5	Do.	Do.
4	Do.	Do.	5	Do.	Do.
4	Do.	Do.	8	Do.	Do.
6	Do.	Do.	6	Do.	Do.
6	Do.	Do.	3	Do.	Do.
6	Do.	Do.	6	Do.	Do.
6	Do.	Do.	8	Do.	Do.
8	Do.	Do.	6	Do.	Do.
4	Do.	Do.	3	Do.	Do.
8	Do.	Do.	7	Do.	Do.
5	Do.	Do.	7	Do.	Do.
14	Do.	Do.	7	Do.	Do.
7	Do.	Do.	4	Do.	Do.
7	Do.	Do.	9	Do.	Do.
12	Do.	Do.	14	Do.	Do.
4	Do.	Do.	7	Do.	Do.
4	Do.	Do.	5	Do.	Do.
2	Do.	Do.	8	Do.	Do.
8	Do.	Do.	4	Do.	Do.
12	Do.	Do.	5	Do.	Do.
5	Do.	Do.	7	Do.	Do.
9	Do.	Do.	5	Do.	Do.
8	Do.	Do.	7	Do.	Do.
33	Do.	Do.	6	Do.	Do.
7	Do.	Do.	5	Do.	Do.
11	Do.	Do.	6	Do.	Do.
4	Do.	Do.	7	Do.	Do.
11	Do.	Do.	4	Do.	Do.
8	Do.	Do.	4	Do.	Do.
4	Do.	Do.	6	Do.	Do.
4	Do.	Do.	6	Do.	Do.
5	Do.	Do.	6	Do.	Do.
4	Do.	Do.	6	Do.	Do.
6	Do.	Do.	8	Do.	Do.
4	Do.	Do.	4	Do.	Do.
6	Do.	Do.	8	Do.	Do.
6	Do.	Do.	5	Do.	Do.
6	Do.	Do.	14	Do.	Do.
6	Do.	Do.	7	Do.	Do.
5	Do.	Do.	7	Do.	Do.
5	Do.	Do.	12	Do.	Do.
6	Do.	Do.	4	Do.	Do.
6	Do.	Do.	4	Do.	Do.
8	Do.	Do.	2	Do.	Do.
6	Do.	Do.	8	Do.	Do.

Number of signatories.	District or Town.	Province.	Number of signatories.	District or Town.	Province.
12	Guntur.	Madras.	14	Guntur.	Madras.
5	Do.	Do.	6	Do.	Do.
9	Do.	Do.	7	Do.	Do.
5	Do.	Do.	6	Do.	Do.
6	Do.	Do.	10	Do.	Do.
3	Do.	Do.	5	Do.	Do.
7	Do.	Do.	35	Do.	Do.
6	Do.	Do.	7	Do.	Do.
6	Do.	Do.	6	Do.	Do.
7	Do.	Do.	42	Do.	Do.
7	Do.	Do.	9	Do.	Do.
4	Do.	Do.	6	Do.	Do.
4	Do.	Do.	6	Do.	Do.
2	Do.	Do.	4	Do.	Do.
3	Do.	Do.	8	Do.	Do.
2	Do.	Do.	6	Do.	Do.
3	Do.	Do.	5	Do.	Do.
1	Do.	Do.	7	Do.	Do.
3	Do.	Do.	15	Do.	Do.
7	Do.	Do.	12	Do.	Do.
7	Do.	Do.	193	Singbhum	Bihar.
2	Do.	Do.	52	Trichinopoly	Madras.
2	Do.	Do.	122	Do	Do
2	Do.	Do.	108	Do	Do.
4	Do.	Do.	65	Noakhali	Bengal.
3	Do.	Do.	114	Do	Madras,
11	Do.	Do.	113	Do	Do.
6	Do.	Do.	172	Do	Do.
3	Do.	Do.	11	Do	Do.
4	Do.	Do.	27	Do	Do.
4	Do.	Do.	37	Do	Do.
7	Do.	Do.	68	Do	Do.
8	Do.	Do.	400	Larkana	Bombay.
9	Do.	Do.	874	Do	U. P.
5	Do.	Do.			
8	Do.	Do.	4,243		
7	Do.	Do.			
11	Do.	Do.			

STATEMENTS LAID ON THE TABLE.

The Honourable Sir George Schuster (Finance Member): Sir, I lay on the table the information promised in reply to part (f) of starred question No. 419 asked by Mr. Jagan Nath Aggarwal on the 9th March, 1934.

STANDARD OF AUDIT IN MILITARY ACCOUNTS DEPARTMENT.

*419. *Copy of Northern Command Order No. 468, dated the 23rd August, 1929, which was issued at the instance of the Controller of Military Accounts, Rawalpindi.*

468. *Correspondence.*—It has recently been brought to the notice of the Controller of Military Accounts, Northern Command, that his office when auditing bills sometimes

raise objections thereon and on receipt of the reply to such objections, raise further objections which should have been evident to the auditors from the beginning, thus causing not only delay in payment but extra clerical work for all concerned.

This is most undesirable and the Controller of Military Accounts, Northern Command, wishes officers commanding units etc., to bring to his notice any cases of delay caused by incomplete original audit on the part of his office. Such communications should be addressed to the Controller of Military Accounts, Northern Command, Rawalpindi, by name.

Mr. G. R. F. Tottenham (Army Secretary): Sir, I lay on the table the information promised in reply to starred question No. 409 asked by Mr. Gaya Prasad Singh on the 7th March, 1934.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

*409. The orders of the Government of India on Recommendation III are perfectly clear and are being acted upon to their full extent. The first paragraph of the orders makes it obvious that Government do not recognize a right of appeal when, as in the two cases quoted, it is directed against the professional and duly confirmed finding of a medical board as to the existence or degree of an alleged disability.

Mr. P. R. Rau (Financial Commissioner, Railways): Sir, I lay on the table:

- (i) the information promised in reply to parts (b) to (f) of starred question No. 155 asked by Mr. S. G. Jog on the 16th February, 1934; and
- (ii) the information promised in reply to starred question No. 274 asked by Mr. K. P. Thanpan on the 26th February, 1934.

TRAVELLING WITHOUT TICKET ON RAILWAYS.

*155 The Agent, East Indian Railway reports as follows:

(b) No. It is true that the total pay and allowances of the ticket checking system, in 1933, was Rs. 12,74,918 and the total excess fare earnings was Rs. 7,67,555, but it cannot be said that the difference represents a loss, for the cost covers the performance of many other duties in addition to the collection of excess fares, which are not directly remunerative to the Administration. A Ticket Collector's duties are mainly preventive in diverting outgoing ticketless passengers to the Booking Office where the fares are merged in the general Coaching earnings, and the cash value of a ticket collector's services in this respect cannot be estimated. The number of incoming passengers detected without tickets at gates is negligible as they have mostly been previously detected and excessed on the train by the Travelling Ticket Examiners whose main duty is detection.

(c) Here again, as in the reply to (b) above, it is impossible to reduce the result of working to terms of profit and loss. It is a fact that the Travelling Ticket Inspectors collected, in excess fares, more than their pay and allowances amounted to, and the present Travelling Ticket Examiners collect less, but this was due to their duties being purely detective, and their inspection spasmodic and concentrated. The Travelling Ticket Examiners combine prevention with detection, and also travel on the train throughout its run performing other services to the public. Though their individual collections are less than those of the former Travelling Ticket Inspectors, the total collections in 1933, were greater by approximately Rs. 2,34,605. It was due to the notorious prevalence of illicit travelling under the previous system that the present system was introduced, and which has most certainly effected an improvement.

(d) No. The basic figures are correct but false conclusions have been drawn from them. It is misleading to compare the entire cost of the Moody-Ward system with the cost of the Travelling Ticket Inspectors only, and to effect a comparison between the costs of the two systems it would be necessary to include with the latter the cost of all the old Ticket Collectors formerly employed at stations. The actual cost of the present Travelling Ticket Examiners compared with the former Travelling Ticket Inspectors is as under :—

	Cost, Pay and Allowances.	Collection.	Difference <i>plus</i> or <i>minus</i> .
	Rs.	Rs.	Rs.
Travelling Ticket Inspectors . .	2,54,634	3,26,458	+ 71,824
Travelling Ticket Examiners . .	5,50,768	5,60,063	— 90,705

(e) The actual facts are that the efficacy of a ticket checking system cannot be judged by a comparison of costs and excess fare earnings. The more efficient the preventive service, the less will be the earnings of the detective service. But each service is complementary to, and not independent of the other, and vigilance in neither service can be relaxed. The only test of efficiency is the prevention of illicit travelling.

(f) Does not arise.

INJURY TO A LADY PASSENGER BETWEEN SALEM JUNCTION AND SALEM.

*274. Government understand that a claim for compensation on behalf of the lady, who was injured in the accident referred to, has been preferred on the South Indian Railway Administration and that the case may eventually be taken to Court. In the circumstances, Government regret they are unable to furnish any information until the case is finally disposed of.

ELECTION OF MEMBERS TO THE COURT OF THE UNIVERSITY OF DELHI.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands): Sir, I beg to move:

"That the elected Members, of this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, four persons from among their own numbers to be members of the Court of the University of Delhi in pursuance of sub-clause (5) of clause 2 of the First Statutes of the University set out in the Schedule to the Delhi University Act, 1922. (Act VIII of 1922)."

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the elected Members, of this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, four persons from among their own numbers to be members of the Court of the University of Delhi in pursuance of sub-clause (5) of clause 2 of the First Statutes of the University set out in the Schedule to the Delhi University Act, 1922 (Act VIII of 1922)."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): I may inform Honourable Members that for the purpose of election of Members to the Court of the University of Delhi, the Assembly Office will be open to receive nominations upto 12 Noon on Wednesday, the 11th April, and that the election, if necessary, will, as usual, be held in the Secretary's Room on Saturday, the 14th April, 1934. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

POINT OF ORDER *RE* THE HONOURABLE THE PRESIDENT OF THE LEGISLATIVE ASSEMBLY TAKING HIS SEAT WITHOUT THE USUAL WIG.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadian Rural): On a point of order, Sir. I should like to draw the attention of the Chair to the President taking his seat without the usual wig. I should like to know whether the President is setting up a precedent or following the practice of the Irish Free State where the Speaker does not wear a wig.

Mr. President (The Honourable Sir Shanmukham Chetty): The proceedings of the House are in order so long as the President keeps the head; the wig is only a subsidiary matter. (Applause.)

THE INDIAN STATES (PROTECTION) BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the Indian States (Protection) Bill.

The Chair would like to draw the attention of the House to the practice followed by certain Honourable Members and the way in which they send notice of amendments to the Assembly Office. This is a typical example of the way in which notice is given to the Assembly Department. (At this stage, Mr. President showed several small pieces of paper.) Apart from the fact that it is impossible for the Assembly Office to decide whether the amendment of which the Honourable Member gives notice is on this side or the other side of the page, it is very discourteous to the Assembly itself to be so careless in the matter of giving notice. There is certainly no objection for Honourable Members just to save time and energy if they wish to cut out the amendments that have been printed, but they must at least take the trouble of pasting them on a foolscap paper. I hope Honourable Members will give notice of their amendments and of other notices which they give to the Assembly Office in a proper manner.

Mr. Lalchand Navalrai (Sind: Non-Muhammadian Rural): Sir, I rise on a personal explanation. This reference has been made to me. The House knows that on Saturday we were busy with the very popular and very entertaining amusement or rather delightful lunch, and we left the hotel so late that I thought that the Assembly Office was going to be closed and there was hardly time for writing and then coming to the office.

[Mr. Lalchand Navalrai.]

to give the notice there. I had, therefore, to cut the portions of amendments already printed and sent them in a very great haste. I had to call for a special messenger and paid him his charges for going to the Assembly Office. It was only in these pressing circumstances that this was done. I cut the printed amendments and wrote on the other side of the paper that these were my amendments. I did not mean the least discourtesy to the Assembly and it was only under those exceptional circumstances that I had to do it.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That clause 3 stand part of the Bill."

Rao Bahadur B. L. Patil (Bombay Southern Division: Non-Muhammadan Rural): Sir, I beg to move:

"That clause 3 of the Bill be omitted, and the subsequent clauses be re-numbered accordingly."

Sir, one principal objection taken against this Bill is this clause. It has been very severely criticised from this side of the House and it has been said that its provisions are fit to be called in only when an exceptionally grave emergency exists in the country,—and we are not wanting in instances.

The Honourable Sir Brojendra Mitter (Law Member): Will the Honourable Member kindly raise his voice?

Rao Bahadur B. L. Patil: So far as I remember, there were three occasions on which the Government of India decided that this country was landed in a state of emergency. The first was after the Mutiny of 1857. The history of Press legislation in India shows that at that time the Government of India had to tighten the rigours of law so far as the Press provisions were concerned. After that we know, about 1910, when there was the agitation against the Partition of Bengal which threatened Government, several important and severe clauses were enacted against the Press and inserted in the Statute-book. The third occasion was the Ordinance regime in connection with the recent Civil Disobedience Movement. So far as the arguments of Government go in this connection, we may agree for a moment that if there is such a serious emergency in the country, we may allow such provisions to be placed on the Statute-book for a short period. But I ask the Government, what is the emergency at the moment existing in this country, so far as the Indian States are concerned? After hearing the Honourable the Home Member on two or three occasions, I am not convinced of the existence of any emergency to justify the placing of such provisions on the Statute-book. Then, about the necessity I may state at once that the number of papers indulging in such alarming and false criticisms of the Indian States is so small that it would be wise to ignore them rather than to enact such a severe measure for the entire Press in general. It is also important in my opinion to look to the circulation of such newspapers. If a proper census is taken of these papers, I am sure, the Government will be convinced not only that they are very few in number, but their circulation is negligible. What

would be the practical effect if this clause is passed into law? The Government might say "We have added an *Explanation 5* which would make it possible for the Press to print or to circulate or publish mere statements of facts. If there is no intention or attempt to excite hatred or contempt or disaffection, they can very well carry on their legitimate duties". But what manner of printing and publishing amounts to disaffection and contempt always depends upon the individual who administers the law. What Press would take the risk of even publishing mere statements of facts when the burden of proof is upon them if hauled up in a Court of law. It is really a great risk to undertake to publish such matters. Now, the only means which the States people have to ventilate their grievances will be lost to them and, it would be absolutely impossible to bring their grievances to the public notice through the Press in an Indian State. Before I close, may I bring to the notice of Government that the Bill, though amended to this slight extent in the Select Committee, does not escape the severe criticism levelled by responsible officers of Government. On page 5 of the summaries of opinions, it is stated that the Judicial Commissioner and the Additional Judicial Commissioner, Mr. Pollock, of the Central Provinces, doubt the expediency of this clause. Mr. Niyogi, the Additional Judicial Commissioner, is also not in favour of clause 4. Coming to the opinion of Bombay, Mr. Aston, the Additional Judicial Commissioner of Sind, considers the clause, as premature. The District Magistrate, Ahmednagar, suggests that instead of "administration of any States in India", the words "any legal or constitutional Acts of any State in India" be substituted. There are opinions almost from all Provinces which point out the inexpediency of these provisions and they say that these provisions will work a great hardship upon the poor Indian States subjects.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): What is the opinion of Madras?

Rao Bahadur B. L. Patil: The Madras opinion is, I believe, against this provision. They say they are surrounded by peaceful Indian States.

Mr. C. S. Ranga Iyer: They say, I speak subject to correction, that in the light of the Federation that is coming, the new Bill is necessary.

Rao Bahadur B. L. Patil: Whatever may be their opinion about Federation, I submit they are right in saying that, because they are surrounded by peaceful and well-administered Indian States, they are not competent to give their opinion.

One argument urged by Government is that so far as these provisions are concerned, they are not new. They have not brought forward anything new. All these provisions existed already and they have been simply applying them in the case of Indian States in a special form. If we turn our attention to Act I of 1910, we see in section 4(1)(c):

"to bring into hatred or contempt His Majesty or the Government established by law in British India or the administration of justice in British India or any Native Prince or Chief under the suzerainty of His Majesty, or any class or section of His Majesty's subjects in British India, or to excite disaffection towards His Majesty etc., etc."

[Rao Bahadur B. L. Patil.]

This makes clear that though it was made punishable when the writing was of an incriminating nature as against the Indian prince or Chief under the suzerainty of His Majesty, under that Act any *bonâ fide* criticism against the administration of a State was expressly excluded. That you will find in *Explanation II*.

"Comments expressing disapproval of the measure of Government or of any such Native Prince or Chief as aforesaid with a view to obtain their alteration by lawful means or of the administrative or other action of the Government or of any such Native Prince or Chief or of the administration of justice in British India without exciting or attempting to excite hatred, contempt or disaffection do not come within the scope of clause (c)."

Sir, the *Explanation* shows that even if the writing referred to the prince or, the Chief and commented upon him, still if it amounted to *bonâ fide* comments on the administration, the writing was exempted from punishment. But if we look to the provisions of the present Bill, what we see is that not only *bonâ fide* comments on administrations are brought within the purview of the provisions, but even as to statements of facts, wherever there appears to be the slightest intention or attempt to excite disaffection, hatred or contempt, it is made punishable. Therefore, I beg to submit that the present provisions are very severe and will fully choke up the ventilation of grievances of the people of the Indian States. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That clause 3 of the Bill be omitted and the subsequent clauses be re-numbered accordingly."

Raja Sir Vasudeva Rajah (Madras: Landholders): Sir, I rise to oppose the amendment moved by my Honourable friend, Rao Bahadur Patil. In doing this, I should like to point out to the Honourable Members that this clause is the most important one in the Bill, and that, if it is either omitted or substantially altered, there is absolutely no use in proceeding further with the Bill. Most of the objections of my Honourable friends are directed against this clause, and they are, I am afraid, due to certain misapprehensions. Some of them are under the impression that there is no necessity for a Bill of this kind and that there is also no demand for it from the princes themselves. From my personal knowledge of the Indian States, both in Southern India and in the North, I can positively say that there is not only real necessity for the measure and that there is a real demand for it, but that the necessity is both great and urgent.

It was very pleasing to me to hear from some of the prominent Honourable Members of this House, such as my friend, Mr. Neogy, the Leader of the Democratic Party, that they have nothing but high tribute to pay to the administration of the South Indian States. They would even go to the length of desiring to be the subjects of those States in preference to British India. It is certainly a very high compliment to the South Indian States, and, from my intimate knowledge of those States, I can bear out that those tributes are fully deserved and that they have not erred in any way on the side of exaggeration.

But, Sir, I am afraid, my Honourable friends are not aware of the kind of agitation that has now sprung up even in these two well administered States and that the necessity to counteract their pernicious and

poisonous influences is being increasingly felt even there. They are persistently being exposed to mischievous attacks and they feel the urgent necessity for a measure of this kind in order to stop them, as they are intended and calculated to bring the administration of these States into hatred or contempt or to excite disaffection. Numerous instances have come to my notice, within the last few months, and I have had opportunities of knowing what the rulers and many of their loyal subjects themselves feel in this matter. I think my Honourable friend, Mr. Thampan, who ought to know something of what is going on there, will bear me out in this respect. Papers had been started for the sole purpose of creating trouble by bringing communal differences into prominence and for discrediting the administration for their own ends. The vulgar and obscene language indulged in by them will shock any one, and they are a disgrace to the country. This kind of agitation has been, for some months past, going on even in these States and the want of proper Press regulation is taken advantage of by that section of the Press. Recently we have had several instances of this kind both in Travancore and Cochin.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): But are these papers published in British India or are they published in the States?

Raja Sir Vasudeva Rajah: They are published both in British India and in the States. They are started in British India and they exist only for a month or two.

In Travancore, the Press Regulation is somewhat more effective than in Cochin. The method adopted by the agitators in Travancore was to cross over to the neighbouring Cochin State or to British India and to start a paper there with the sole object of abusing the administration and to circulate free copies in thousands to avoid the risk of being proceeded against them by the Travancore Government. They were started with this set purpose and copies were circulated in large numbers free of cost. This was resented by the people and the Government of Cochin, even though the attacks were against a neighbouring State, and the Legislative Council felt justified in taking measures to checkmate this evil. The Government of Cochin, I know, even thought of issuing a Royal Proclamation to deal with the situation to save time, but I think subsequently they took to legislation and passed some preventive measures and more are under consideration. I remember that some of the Members during the discussion characterised this section of the Press as gutter Press and were ready to assist Government in arming them with the necessary powers. If you look at the proceedings of the Cochin Legislative Council you will find that they are second to none in their independence and watchfulness in guarding their own rights and the rights of the Press. Such a Council has felt it necessary to place in their statute-book adequate measures to prevent unconstitutional agitation directed against themselves or against the neighbouring State. With the example and experience before them, our Government will be failing in their duty if they do not take the necessary steps to protect the States from malicious attacks and unconstitutional agitation from outside. If the necessity has been felt both by the rulers and the officers of such States as Cochin and Travancore, one can imagine how much more would the necessity be felt by the other Indian States! As a matter of fact, I know that many of them consider a measure of this sort a long felt want and the delay in bringing

[Raja Sir Vasudeva Rajah.]

this is due to the Government's slowness in moving. This Government is never a day too soon in bringing up such measures for legislation, and when it does, it is only after a great deal of mischief has been done.

Some point was made that there has been no demand from the Indian States for protection of this kind. This remark, I am sure, is due to the absolute ignorance of the state of affairs in Indian States. There is an impartial British officer of the Political Department, acting as Agent to the Governor General, in every State or in group of small States. He is there with his eyes and ears open to see and to hear what is going on in those States. He is not usually influenced either by the ruler or by any one else but forms his own judgment concerning the States after due investigation and reports on the result of his personal knowledge to the Political Department of the Government of India and through it to His Excellency the Viceroy. There is, therefore, no need for a ruler either to petition or to memorialise the Government for protection because the Agent is there already seeing what is going on around him and the Government is kept informed of the needs of the situation. If he fails to take note of what is going on he fails in his duty both to the Government and to the ruler. I am sure, Government have brought forward this legislation from first-hand knowledge of what is going on in and outside the Indian States. I myself know personally that even in the best administered States like Cochin and Travancore, there is a strong case for protection and I also know that the Dewans of those States who are now tried British officers and the Agent realise it as well as I do. The Bill is certainly not intended to prevent any legitimate criticism of the administration of the Indian States but only criticisms of a subversive character. I am sure nobody in this House will countenance agitations of that character when they realise the purpose with which it is conducted. I also hope that I have been able to convince the House, of the real necessity for adequate protection and I trust they will support the clause as it stands and throw out the amendment. Whether Federation or no Federation, I feel that it is imperatively wanted and the sooner we pass this, the better it will be for the administration of those States.

Mr. Muhammad Muazzam Sahib Bahadur (North Madras: Muhammadan): Sir, I rise to oppose this amendment. During the course of the debate on the Bill before us, Sir Abdur Rahim, the Leader of the Independent Party, brought the point home to us that the Bill was directed more towards us, the British Indian subjects, than towards the Indian States. I think he is perfectly right. He pointed out that we have to look at this Bill from the point of view of the British Indian subjects, and not from the point of view of the States; and he said that clause 3 of the Bill sought to substitute executive action for judicial procedure. I really think that far from substituting executive action, it supplements the existing law by adding to it a machinery which, while, on the one hand it protects the rights of British Indian subjects by virtue of *Explanation 5*, which I find at the end of that clause, on the other seeks to keep the Press within legitimate bounds.

Looking into the minutes of dissent signed by several Honourable Members who served on the Select Committee, of whom Sir Abdur Rahim was one, I find that they are all agreed that there should be protection for the Indian States. That is unanimously conceded. How far that

protection should go is a matter on which they express certain doubts. They feel inclined to believe that if the provisions of this Bill are restricted to the formation of the assemblies referred to in clause 4 of the Bill, the purpose of the enactment would be very usefully served, and that the necessity has not arisen in the present situation for enacting clause 3 which will derogate from the rights and liberties of the Press. I may mention here that I happened to be for a few days in Lahore at a time when there was very serious agitation against a State bordering on the Punjab; and let me tell my friends here that from my experience of two or three days—and unfortunately for me I happened to be the guest of one who is the editor of an Urdu newspaper—the attitude that the Urdu Press took up in that agitation was extremely distasteful; and it appeared to me that, unfortunately for us, because of the fact that the vernacular Press, such as exists in the Punjab, in the main uses the Urdu language, a spirit of communalism is engendered as a necessary evil of a common language and so is harmful to the interests of the British Indians themselves. Apart from any considerations of Federation and apart from any considerations of the protection of the States, it struck me that a measure of this kind was a matter of paramount necessity. In Southern India, the position is entirely different. In the Deccan, we have States, some of them big ones and with a better administration than most of the smaller States. It is the case both of the Government and of Honourable Members that it is the smaller States who are guilty of maladministration mostly. In Southern India, you have not got that necessary evil, if I may say so, of a common language employed in the daily Press. A Tamil or Telegu paper has something to say in favour of a Hindu State; a Muslim paper takes up the opposite view and it carries on agitation against the Hindu State in Urdu; but, fortunately for Southern India, what the Hindu Press is indulging in is not known to the Urdu Press, and what the Urdu Press has in its columns is not known to the Tamil or Telugu Press, and that is why communalism there does not spread as a result of such propaganda in the Press. The condition of affairs in Northern India is something entirely different. The vernacular Press is almost wholly Urdu. In Delhi, for instance, and in Lahore, most of the vernacular newspapers are in Urdu, and what one newspaper writes against certain Indian States is known at once to the newspaper which is in favour of that State, so that, as I said, the evil of a common language, which perhaps is unavoidable, was fully manifest during the days when there was very high tension at Lahore. The charge against the States is that they have not kept pace with British Indian conditions. These States, particularly those which are small, have very small resources, and especially in these times of depression; they have not got the extensive machinery which, for instance, is available to the Government of India for the levy of taxes in the shape of customs and income-tax. They have to be content with the resources they have and they have to meet their budget with the resources at their disposal, and it is a hard job for these States to carry on their administrations according to the strict wishes of the people. As I said the other day, the States occupy a peculiarly unfortunate position so far as their subjects are concerned.

Sir, I have observed during the course of the debate one Honourable Member after another has turned to Southern India for a precedent which might help him to strengthen the position as regards the views of certain

[Mr. Muhammad Muazzam Sahib Bahadur.]

officials on this Bill, but I may dismiss that attitude at once by saying that one has to learn a lot from Northern Indian States so far as the Indian States are concerned, and not from Southern States, where such contingencies never arise. As I have already said, whether Federation is set up during the next three or four years or not, whether Federation is set up at all, whether we have to protect the Indian States or not, quite apart from all those questions, I think the main question is that we have to view this Bill from the standpoint of British Indian subjects. That is the main consideration, and, viewing it from that standpoint, I am of the confirmed opinion that this Bill has been long overdue and that clause 3 of the Bill must be there.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I rise to support the motion moved by my friend Rao Bahadur Patil. I was surprised and amused to hear the two speakers who preceded me from the Madras Presidency and who opposed my friend

Mr. B. Sitaramaraju (Gunjam *cum* Vizagapatam: Non-Muhammadan Rural): Don't mention Madras Presidency.

Mr. B. Das: I said two speakers from the Madras Presidency. I listened to their speeches and I felt that, while paying compliments the other day to some of the States in Southern India, we went rather too far to eulogise them and they did not deserve our compliments, because the Raja of Kollengode pointed out that States like Travancore and Cochin were attacked very much by the Indian Press. This was news to me, and I do not think the Honourable the Political Secretary will say that he has received any representations from the Cochin or Travancore States that such a Bill should be enacted. We meet very often men from Cochin and Travancore States in British India

Mr. C. S. Ranga Iyer: I think I may tell my friend, Mr. B. Das, who thinks that the Raja Saheb of Kollengode has not received any representations in the matter, that the Raja Saheb of Kollengode has received authoritative representations in this matter from the Cochin State.

Mr. B. Das: I am glad to hear the explanation from my friend, Mr. Ranga Iyer. I see that the Raja Saheb is here, and I wish he had

Mr. C. S. Ranga Iyer: He had told me about it. I have seen the letters. He is a member of my Party, and hence I intervened.

Mr. B. Das: My friend, Mr. Ranga Iyer, is going to make a speech supporting me, because he is the President of the Upper India Journalists Association. He is the great representative of the Press in this House, as I also happen to be one in my humble way, and so when my friends support me, he will agree with most of my friends who hail from the Madras Presidency,—and the Raja Saheb hails from the Madras Presidency,—and they might be knowing the difficulties of Cochin and Travancore, if the allegations are true, but then I would ask my friends on this side of the House not to pay such high compliments as we did the other day to States like Cochin and Travancore.

Now, Sir, how can British Indians cause "disaffection" against a State? These Princes are British subjects, so are we. I cannot cause "disaffection" against my friend, Mr. Mitra or Mr. Neogy. I can cause disaffection against the Government established by law in British India. I am not a lawyer, as I confessed the other day, although I make here law, that lawyers and High Courts administer and interpret. But how can we cause disaffection against another British subject? This is beyond my comprehension. I wish some lawyer gentleman, when he rises to speak or my friend, Mr. Ranga Iyer, when he rises, will explain the position, because he is the only representative of the big Press here, and so he will enlighten us on this particular aspect of the question which I am raising, because today the whole of the Indian national Press is looking to Mr. Ranga Iyer for his support in this matter, and when he made his speech at Simla he did express the view that the Press clause of the Bill he will examine with a critical eye at this stage of the discussion. I, however, find that he did not sign the minute of dissent which has been signed by my friends, Sir Abdur Rahim, Mr. Jagan Nath Aggarwal, Mr. Neogy and Rao Bahadur Patil, and I was pained not to find Mr. Ranga Iyer's name there, because, Sir, when I was not a Member of this House, when I was flirting with the Swaraj Party to become a Swarajist and my friend was travelling with the late Mr. C. R. Das all over India, and by his classical eloquence he had convinced the country that non-cooperation was not good and the nationalist leaders must come on the floor of the House and fight the Government, from that day I was struck with admiration at my friend, Mr. Ranga Iyer's admirable advocacy for the national cause. We know he had been the editor of half a dozen daily papers, and very particularly of the *Independent* that unfurled the banner of independence under the ægis of Pandit Motilal Nehru, and Mr. Ranga Iyer was the life and soul of that paper. So I would like to know if the *Independent* was alive today, and if my friend, Mr. Ranga Iyer, was editing it at Allahabad, what would he say? Well, of course, we will soon hear . . .

Raja Sir Vasudeva Rajah: It is not that kind of Press against which this measure is directed. The Press that you are speaking of is quite different from the kind of newspapers that are now appearing.

Mr. B. Das: I wish I could only be convinced of it, although my Honourable friend, the Political Secretary, tried to convince us, and also my friend, Mr. Dumasia, who lent his support from the *Times of India* on the floor of this House to the Government Benches, but I don't feel convinced that this legislation is meant only to attack some tuppenny happenenny papers that attack a few *diwans* or princes to exact money or to blackmail them. I am not satisfied.

Mr. B. Sitaramaraju: If they are clean themselves, why should they be afraid of the Press?

Mr. B. Das: As my friend says, if they are clean themselves, why should they be afraid? Let us fight fairly and squarely. Let my Honourable friend, Mr. Glancy, read out the opinions of *diwans* who are respected all over India. There are some *diwans* in Indian States, like Mr. V. T. Krishnamachariar, Sir Mirza Mohammad Ismail,—these men

[Mr. B. Das.]

carry great respect, and we respect them as much as they are respected by the Political Department and by the Indian States, and so I would like to know what are the views of these able administrators, whether they really want this measure, and what are their views about this emergency legislation?

It is known to everybody that the Indian Press Emergency Act was an emergency measure, and if one article written in a paper is going to damage the reputation of a State, there must be something very wrong, very rotten in that State. No emergency has been established. I would like to have a little elucidation as to how Government will know that a certain paper has caused disaffection. During the general discussion on this Bill, it was pointed out—I am not referring to that particular State of Travancore or Cochin, I thought they were all admirable States, but I look upon them now with a little bit of suspicion after the speech of my Honourable friend, the Raja of Kollengode—that means that the *Diwan* of Cochin or Travancore will lodge a complaint with the Political Secretary. Here I appreciate very much the conciliatory attitude of my Honourable friend, Sir Harry Haig, when he accepted the amendment moved by my Leader, Mr. Neogy, that the Local Government or the Government of India must sanction the prosecution. That means that the complaints from the administrators of India States will be made available to the prosecuting Magistrate, and that prosecuting Magistrate, when he wants to prosecute a fortunate or unfortunate editor like Mr. Ranga Iyer or even myself, will forward those allegations by the administrators of those States. And yet when the case is to be tried, those Indian States will not be present on the plea and pretext that they are not British Indian subjects and that they cannot appear before British Courts of Justice. Thereby British Indians are placed at a disadvantage. There is that hidden enemy—the Indian prince—who wants to prosecute, and who wants to encroach upon the rights and liberties of British Indians, and yet the British Indian editor will not be allowed to face that enemy. That enemy will be concealed under the apron strings of my Honourable friend, the Political Secretary. It may also be that my Honourable friend, the Political Secretary, will mark the complaints as confidential to the Governor General in Council and the Governor General in Council will not divulge those complaints before the law Court. The other day,—no, it was last Saturday,—I complained that if there was a conspiracy, it was from the Indian States against the Indian Press. The conspiracy does not exist among the British Indian Press against Indian States, and I would say that when a Press criticises the States, it is with an honest purpose to improve the administration of those States. I put a question on the 3rd April, 1933, on the prosecution of Sardar Diwan Singh Maftoon by the Bhopal State:

"Has the attention of Government been drawn to the judgment of Mr. Isar, Additional District Magistrate, Delhi, dated the 5th September, 1932, whereby Sardar Diwan Singh was acquitted and the judgment recorded:

'Such are the prosecution witnesses and such is their evidence and it seems to me if there was any conspiracy in this case it was on the part of the Bhopal Police the object being to incriminate Diwan Singh and to cripple the *Riyasat*.'"

I quote that particular passage to show, as I mentioned last Saturday, that there is conspiracy in Indian States against British Indians and also that there is conspiracy in Indian States by the States police, not only against particular editors, but also to cripple the Press. Tomorrow, after

this Bill is passed, there will be conspiracy against the British Indian Press, so that they may be silenced and they may not criticise the mal-administration of the States. I will quote another line from another question of mine. It is at page 3159 of the Official Debates, dated the 5th April, 1938.

"With reference to the prosecution sanctioned by the Government to the Bhopal Durbar against the *Riyasat* and the judgment of the Magistrate, Mr. Isar, on the case, has the attention of Government been drawn to the following passage :

"It is the State Police that carried on the investigation in Delhi and other places in British India without the assistance even of the local police. It is the State that has paid all expenses."

I quote this latter sentence, because my Honourable friend, Mr. Mitra, wanted to know whether there had been such a case.

When I mentioned that, Sir Muhammad Yakub became fluttered in his seat,—I do not see him in his seat now,—but here is a judgment of a British Court of Justice, it is not an editor, or a nationalist editor who writes these things against any particular State. Here is a particular case instituted against a particular editor, which proves that there has been a conspiracy against the British Indian Press, not only that, but also there has been an encroachment of the rights and liberties of the Government of India for which the Treasury Benches stand there.

Mr. O. S. Ranga Iyer: If I may interrupt my Honourable friend, therefore, assuming that his present statements are correct, because he reads them from a judgment, why should he not make all those things impossible by supporting this Bill which will override the past Protection Act with all its anomalies to which he gave expression?

Mr. B. Das: I am glad my Honourable friend, Mr. Ranga Iyer, has put me that question. Unfortunately my Honourable friend was too busy on Saturday and did not hear the speech that I delivered then, where I dealt with this aspect of the question elaborately. Why should I enact measures to give protection to inefficiency and ineptitude? The proper solution is, why do not the Government of India and the British Government pension off these princes and make all State territories British Indian? (*A Voice:* "Why go to this extent?") My Honourable friend, Thakore Gaya Prasad Singh, who, I believe, has many friends amongst these princes, says, why go to this extent? For the good relationship of the Britishers with us I make this suggestion. Let the Government of India revise their views and not create a second line of obstacle to the freedom of India by puffing and putting up these princes against us and by creating them into Suzerain Rulers and Paramount Rulers, and let the Government pension them off. I do not see my Honourable friend, Major Nawab Ahmad Nawaz Khan, in his seat, he is also a Government pensioner. The British Indian Government pay him, because he ran away from the State of Afghanistan. The pension is paid by us though it is a non-voted subject, and my Honourable friend, Mr. Glancy, will see to it that it remains a non-voted subject. I am agreeable to pension off every ruler who is at present

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member must confine himself to the present amendment.

Mr. B. Das: That was a mere explanation to my Honourable friend, Mr. Ranga Iyer. As I said, I was wonderstruck my Honourable friend, Mr. Ranga Iyer, had not signed this minute of dissent. He should have signed it.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhamadan Rural): He was absent for some reason; otherwise he would have signed it.

Mr. B. Das: Honourable Members must abide by the minute of dissent so cogently and nicely drawn up by my revered friend, Sir Abdur Rahim, and my Leader, Mr. Neogy,—four eminent lawyers have drafted that. They say:

"Regarding the British Indian Press, we are not satisfied that the need has arisen in any way justifying a departure from the normal procedure of a judicial trial."

They further say:

"We are not satisfied that there is a sufficiently widespread demand by the States Administrations for drastic and summary action of the kind contemplated."

Before that, your ruling on the presentation of Reports of Select Committees was not given. I think that whatever opinions and materials were placed before the Select Committee should form appendices to the Select Committee's Report. I hope, when the members of the Select Committee speak, they will let us know what opinions were placed before the Select Committee, and I would like particularly to hear from Sir Abdur Rahim and Mr. K. C. Neogy as to why they gave this reasoning and what were their grounds for this opinion. Government must have placed certain materials before these members, and those materials did not satisfy such an eminent *ex-judge* like Sir Abdur Rahim or an eminent constitutionalist like Mr. K. C. Neogy. I would only say this. I stated on Saturday that I was agreeable to give my support to clause 4 that the *jathas* should be prohibited. I have come to that decision after going through the Select Committee's Report, but I do feel that Government ought not to take further powers to harass and prosecute the Indian Press under the guise of protection to the Indian States administration, and I do appeal particularly to my Honourable friend, Sir Harry Haig, who is in such close touch with the Indian Press. Already signs of goodwill and conciliation have come from that great man, Mahatma Gandhi. The Congress is in a mood to respond. Is this the spirit in which the Government are responding that, after passing the Emergency Act of 1932, they must put further fetters and shackles round the Indian Press,—it may be under the guise that it is only a few minor papers that are blackmailing and they must be controlled. Who will be the judge of that? Who will recollect all the assurances and pledges given? My Honourable friend will not be here next year. He will be somewhere else as "His Excellency" and some of the other Members of the Treasury Benches will not be here. These Statements of Objects and Reasons and these minutes of dissent do not lead us anywhere.

Sir, here I should like to draw your attention to an important matter. There is no procedure in our Assembly proceedings to publish the Reports of the Select Committees. These are published in the Gazette of India.

It is very difficult to get hold of the Gazette of India in order to see a particular Select Committee's Report. As the Select Committee Reports are laid on the table, I do appeal to you, Sir, to order that the Select Committee's Reports should in future form part of the proceedings of the Assembly Debates, so that in future if we wish to refer to this minute of dissent, particularly, this able minute of dissent by my friends which I have quoted and the able minutes of dissent that were written in 1932, it will be within easy reach for reference. Sir, I do not ask you to give a ruling now, but I do hope that this suggestion will be taken into consideration by the Chair to facilitate legislative work on the floor of the House.

I was concluding my speech by appealing to the Honourable the Home Member. He wants to see goodwill generated in the country, he wants to see the Civil Disobedience Movement called off. He wants to see in our heart a spirit of response. For the last three or four days, the Indian Press is giving expression to those opinions and there is a spirit of response and goodwill from the all highest in the Congress and from his colleagues, and, at this time, to fetter the Press, as is proposed to be done by clause 3, will be disastrous to the spirit of friendship that Indian leaders are showing and trying to generate. The Indian Press not only ventilates the view point of the Government of India, but at the same time it ventilates the point of view of national leaders, as at one time Mr. Ranga Iyer did to reconcile the two view points, so that a friendly spirit may be generated in the country, and I do hope that my Honourable friend, in view of the general goodwill that is going to prevail and pervade in the country, will withdraw this particular clause, and I do hope that my friend, Mr. Ranga Iyer, when he rises to speak, will bear in mind the general spirit of goodwill that prevails throughout the country and also bear in mind the great responsibility as one of the ablest *ex-Editors* of Indian papers, and that he will speak not as a Member of this House, but as an *ex-Editor* of one of the best nationalist papers.

Mr. C. S. Ranga Iyer: Much as I should have liked to speak after hearing one of my colleagues in the Select Committee, as I happen to be one who has not signed the minute of dissent, I have been invited by my friend, Mr. B. Das, from a journalistic point of view, in his capacity as a Member of this House, to take part at this early stage of the discussions. I am willing to do so. Mr. B. Das said that I should speak as the Editor-that-was of a great newspaper.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Don't forget that you have to speak for a constituency in the United Provinces.

Mr. C. S. Ranga Iyer: My friend says "don't forget to speak for a constituency in the United Provinces", in which I may add, you have Indian States which are black balled in the British Indian Press. Sir, I am speaking as a Member of the Assembly, for unfortunately an *ex-editor*, or even for the matter of that, a very live editor like Mr. B. Das, has no *locus standi* as an editor in his journalistic capacity in this House. He said very nice words about the Honourable the Home Member, his spirit of conciliatoriness, his kindness, his goodness, and so on, and he has also promised that he would support at a later stage a certain controversial clause in this Bill about which also there is probably a difference of opinion among the members of the Select Committee, Mr. Jagan Nath

[Mr. C. S. Ranga Iyer.]

Aggarwal not differing from Government, though an eminent lawyer, but his difference is with two eminent lawyers, one of whom is a constitutional expert to whom Mr. Das referred. After speaking so well of the Honourable the Home Member, he asked me why I did not sign the dissenting note. The answer is that the same spirit of conciliatoriness prevailed in the Committee, and if Mr. Das only reads the italicised portions in the amended Bill, he would have understood to what extent that spirit of conciliation went. Probably he forgot *Explanation 5*:

"Statements of fact made *without malicious intention* . . . shall not be deemed to be of the nature described in clause (j) of this sub-section."

After this, as a journalist that he is, free from malice, he has no reason to dread any kind of strong criticism that he may direct against the maladministration or the unsatisfactory administration of an Indian State. He said, with his mealy-mouthed style of appeal which I always admire, he said in that mealy-mouthed way: "There is a spirit of conciliation and compromise in the country today, the Mahatma has created by his remarkable statement that wonderful spirit". Sir, I agree that a wave of the magician's wand has created a new atmosphere in British India, and I hope that the Honourable the Home Member will remove the ban on the Working Committee of the Congress and allow them to meet to ratify the statement of the Mahatma abandoning civil disobedience and follow it up by a gesture releasing all the political prisoners, so that they might address themselves to the new task of constructive work which the Mahatma has placed before them, including the fight for elections, if they choose, to the Legislature. (Hear, hear.) That is all right; but we are not concerned today about creating an atmosphere in British India, we are concerned today with removing the atmosphere of suspicion and distrust that from day to day is created in British India by the banshees of the Press. That is the point that Mr. B. Das in his mealy-mouthed admiration for the Home Member forgot. That is the tragedy about his speech. The Mahatma cannot speak with any authority whatever—he has never claimed it—for the Indian States and there is no one who is living today who can talk with greater authority than the Mahatma for British India. If there were an equal personality in regard to the subjects of the Indian States who could speak with the same authority, there would have been no necessity, I admit, for this Bill. There would have been no necessity much less for this clause. But if Mr. Das is sincere, as he no doubt is sincere, about continuing the conciliatory spirit that has come down to stay with us, then the proper thing is to see to it that agitation against Indian States of a flagrant kind carried on in the Indian Press does not actually kill this atmosphere. If the new atmosphere to which he referred—and I am glad he referred to it—continues—and Mr. Das, as an imaginative nationalist, has the experience of a great and sincere worker, he has worked disinterestedly for the national cause,—I know how deeply, how sincerely he feels that Indian nationalism must advance from strength to strength,—Indian constitutionalism, not communalism—that being the case,—I would ask him once again to recall the very good story that my friend, Mr. Muazzam Sahib Bahadur, narrated about what he saw in Lahore, namely, that there is a communal atmosphere there. In other parts of India, too, a communal campaign is carried on: the repercussions of the fight against Kashmir have not died down—the Government were wrong in letting loose, in allowing the letting loose,

the Government were wrong in not having prevented the letting loose on an Indian State of *jathas* from British India. I am glad they have woke up; and the spirit which this Assembly exhibited for co-operation with the Government in not having a repetition of these *jathas* will be defeated if the mischievous Press continues agitating as it has been agitating. That is why I could not understand my friend, the esteemed Leader of the Opposition, saying that this Press clause must be removed. That is why I could not understand the very earnest Leader of the Democratic Party not supporting, as he ought to have supported it, if he wanted to attain the object which they said would be attained if the clause relating to the *jathas* was passed in this House. Having passed that important clause, for goodness sake do not defeat the purpose by allowing newspapers to carry on the wicked campaign which they have been carrying on. Mr. Patil said, they are an insignificant section of the Press, they are unimportant, their circulation is poor, why punish them? No, they are not an insignificant section of the Press. These communal newspapers are today credited with having a larger circulation than the nationalist newspapers. The national atmosphere is *not* charged with such high pressure as the communal atmosphere, and, therefore, let us not, by theoretical ideas of the liberty of the Press, run away with the idea that we are promoting nationalism by calling for the deletion of this clause. If nationalism has a responsibility which it cannot shirk,—and if the atmosphere of British India is barely free from communalism as it seems on the surface,—if nationalism is not to be destroyed, this Bill will have to be passed; it is only for a short duration, and if in that period we find the Press has changed its style and is going to help in the building up of the new India to which Mr. B. Das referred, then I can say that there may not be a necessity to continue or give an added period of existence to this Press measure. It is really directed against communalism; and as a Federal Constitution is promised to us, do not, misguided by ideas of the liberty of the Press, give these people a license, for liberty must mean also wholesome restraint.

Sir, Mr. Das made a personal reference to me. He said that I was so closely associated with Deshbandhu C. R. Das in offering a battle to the no-changers of the Congress and in bringing them to the Councils. That was a happy reference. I have a great admiration for the late Deshbandhu, and I am glad that he chose me as one of his principal lieutenants to work with him in Bombay (Hear, hear, for hours battling against the no-changers in the meetings and in urging the working anew on constitutional lines, discussing with people who were willing to take a new line, the line that we ourselves took by entering the Legislatures. Sir, the fruit of our labours has not gone in vain. The Mahatma has today felt what his followers, he being in jail then, were not in the beginning willing to say. Sir, I went through the country with Deshbandhu Das and Mr. Jayakar addressing meetings; and when we addressed meetings we dared, sometimes we were hooted. We were misrepresented in the Congress Press, but that kind of misrepresentation we, the politicians, are prepared to stand. The case of the princes is different. My friend, Mr. Das, referred to the "admirable days of the *Independent* which preached independence". No, Sir. The *Independent* did not preach independence. The *Independent* of Allahabad fought for Dominion Status. The creed of the Congress had not been changed then. The flag of independence was unfurled a few years after at Lahore, in the Lahore Congress, and the spirit of the *Independent* was defeated for "independ-

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dent" means independent of all coteries and caucuses. It was Independent of extremism then; it was a full-blooded home-ruler, and as home-rule is coming to us today, not only for British India, but also the whole of India under the Federation, I, at any rate, interpret thus, as I have the right to interpret, the feelings of the late Deshbandhu C. R. Das, the greatest leader of his day whose memory will be enshrined in the affectionate recollections of generations unborn. (Applause.) For, I say, the late Deshbandhu Das will be happy in the other world and bless the efforts of earnest and sincere men, his lieutenants here and elsewhere, lieutenants like Mr. S. C. Mitra, that the triumph has come to us of their efforts. That is what he called *the foundation of Swaraj* in his famous Faridpur speech which is laid in the new Constitution. There are defects in it; there are weaknesses in it; there are safeguards in it, safeguards which in Deshbandhu's opinion would have meant deadlocks. The future Councillors have the right of producing deadlocks if necessary in the march to freedom. When Mahatma Gandhi in British India is prepared to allow the Councillors to attack in whatever way they like within the Legislature, must not Mr. Das and other Members of this House help us in defeating the purpose of a few men in the Press, communal and otherwise, both Hindu and Muslim? Must we not defeat the purpose of these new anti-Federation mandarins who day after day with exaggerated stories misreport the newspapers which are full of mischief, as Members of this House are aware? By publishing these exaggerated reports, these newspaper mandarins are killing the purpose of bringing into existence a Federated and Free India. Sir, I want the princes to come into the Federation, and that is why I say that I have changed for the good. I am prepared to change with changing times and what I fought for, suffered for, struggled for, having had one year's rigorous imprisonment as a newspaper editor, has been attained. If Honourable Members are going to be wedded to the hobgoblin of little minds called consistency, they cannot expect me to follow them into the morass and the ditch. I want a New India to be created, as Bhupendra Nath Basu in the National Congress in Madras said. He saw visions, he dreamt dreams, the dream of a united India coming into its own. Under the Federation, Sir, there will be no bureaucratic block. There will be an aristocratic block, and, in this land of aristocracy, we must make it easy for the aristocrats by removing our suspicion. And if we so remove it, what do we get in return? Mr. Joshi himself in a subsequent amendment asks for it and Mr. Das himself asks for it and said today he asked for it. You will get responsible government in the Indian States. Read the Sapru Memorandum and then withdraw your support from the mischievous newspapers which are putting obstacles in the way of this Federation. You will not realise this Federation by helping these wretched, insignificant communal newspapers—insignificant from the princes' point of view, but much too significant from our point of view—lest they should let loose communal conflagration on this country where there is great need today for a national atmosphere. He says:

"I am strongly of the opinion, however, that one result among others of the association of British India and the Indian States in the field of common activity in the Federal Legislature will be to facilitate the passage of the Indian States from these present form of autocratic government to a constitutional form with the rights of their subjects ascertained and safeguarded."

I would, therefore, ask my friend, Mr. Das, to see as a journalist, and, what is more important, to see as a nationalist and a well-wisher of nationalism. I ask every one who has the good of this country at heart, and who has worked for this country, not to cherish old prejudices and play to the communal gallery or "the gutter press" as the Political Secretary correctly remarked. I would also ask my friend, the Leader of the Democratic Party, to ask his erstwhile Deputy Leader, Mr. B. R. Puri, to be present at the third reading of this Bill, for I had fairly warned Mr. Puri in his Leader's presence that I wanted to attack or rather to reply to his personal reference about an ugly episode in Kashmir that I was going to be bought and that Mr. Puri played the role of an agent. I want him to be here to face the music, for I want to make it impossible, because eminent lawyers sometimes play the role of agents of Indian States, to exploit the poor journalists in order to improve their cases. Mr. Puri got a few cases because of me, but I rejected the offer, because I did not like to take the risk. Besides, the administration had changed and the purpose of my work was done. I want him to come and face the music, for I do not like to hit a man behind his back. Having attacked me virulently, he should have come and faced the music. I myself attack strongly, powerfully and sometimes, when provoked, even vituperatively the arguments of some Members, but I do not accuse them of things which they have not done. His Leader's association with Orissa States, as I said on a former occasion, was very good and he had every right to be associated with them. He did his work nobly by them. I was myself entitled, as a newspaper man, to do propaganda for any Indian State if I was in agreement with it. But Mr. Puri used wicked phrases and I hope the Democratic Party will send a telegram to him to be present on the third reading of this Bill. Suffice it to say at present that the passing of this Bill will make it difficult for the irresponsible members of the legal profession to attack starving and struggling journalists who, at any rate, believe in the integrity of journalism. Such integrity is a sin because of a few blackmailers in the Indian Press! These blackmailers must be put down, otherwise the Indian Press will lose its reputation.

My friend, Mr. Patil, said in his sweetly reasonable style that their number is small and their circulation is also small. Now, I am coming from the communal to the purely State Press and there Mr. Patil, I admit, is absolutely right. Their number is so small and their circulation is so feeble. That being the case, why attack them. Why not leave them alone? My argument is this. Is not the number of *Dakus* in this country small? (A Voice: "What is *Daku*?") In the population of 300 millions, how many dacoities are committed? Mr. Amar Nath Dutt does not know what a "Daku" is. In Hindustani, a dacoit is called a "Daku", and may I know what is he called in Bengali?

Mr. Amar Nath Dutt: *Dakat*.

Mr. O. S. Ranga Iyer: So, a "Daku" is called *Dakat* in Bengali, and dacoit in English, which shows philologically that there is some common background for all nations. Let there also be a common sentiment of unity here.

Sir, I admit, as I said, that the number and the circulation of such papers is small, and that is the reason why we must put them down.

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It must not be possible to make a newspaper indulge from day to day in cruel libel. If three people talk libel, they can be proceeded against in a Court of law. Surely what individuals are labouring under, by way of a restraint, must be accorded to these papers with small circulation, for surely if their circulation is a hundred, they choose the names of men to whom they send, and probably the Political Secretary gets these cuttings which, without reading, he puts into the wastepaper basket or transfers to some clerk in his office if he knows what the paper is, and if its statement is worth being regarded, he sends it to some Under Secretary to glance at it. If, on the contrary, he knows that it is from a professional black-mailer, probably he does not take any notice of this, for he could not be expected to do any other work excepting the reading of these libellous articles, unfounded and untrue, repeated day after day. It is this section of the Press that we want to get at. They give a bad name to the Indian Press. The good newspapers are not affected, and, even for their sake, the Bill is necessary, so that they may become better. They are not after all straightaway proceeded against. They can change their soul, they can change their aspect, they can change their manner, and they can also become respectable and be gentlemen. This Bill is not directed against the gentlemen Press.

My Honourable friend, Mr. Das, referred to a case, rather a sensational case of the *Riyasat*. I personally sympathise with the *Riyasat*. I sympathise with every newspaper which is persecuted by an Indian State for its day-to-day criticisms, even though the criticisms may have gone farther than the limit. Day to day, the Editor writes, but he feels he is prepared to take the consequences. Therefore, I sympathise with that agitation. But if that agitation is to be kept within the limit, this Bill is necessary, and if the wings of the princes' agents are to be clipped—for I do not question, I had not studied the references which Mr. Das made, I take them to be correct and if they are correct—if the wings of the princes' agents are to be clipped, it is better to entrust the British Government in India with the power that they take under this Bill lest there should be any more repetitions of the scandalous *Riyasat* case, scandalous because it has run to so many months, probably it went to years.

Mr. B. Das: Two years.

Mr. C. S. Ranga Iyer: Yes, two years. My friend, Mr. Das, is fairly well informed on this matter. I myself thought that it was more than two years, because I was closely following the proceedings of this unfortunate case in the Press. The princes can afford to have long cases in Courts, they can impoverish the editor, they can rob him of his money, they can make him dance attendance in distant Courts, but all these must end. If action is necessary, it is much better that it should be taken under this Bill, a straight action after warning the editor concerned. If the editor is a lunatic, he will not listen to the warning. I hope, when the Home Member speaks, he will make it quite clear, though it is not for me to make it clear, because I know warnings are invariably given, as an editor I know it from experience, my paper's security would have been snatched away for the manner it was denouncing Kashmir administration, but, a fair warning changed its policy within 24 hours, from one of severe

and fierce fight to one of critical and sometimes severely critical opposition. Therefore, the *Riyasat* case supports this Bill strongly, and I hope my Honourable friend will not press this motion to a division, for the purpose of the whole Bill will be defeated, including the clauses that we have passed already.

My Honourable friend referred to the Raja of Kollengode. He said high compliments were paid to Travancore, Cochin and Mysore and said that such good States should have no cause for complaint. I am afraid that the Raja of Kollengode has no authority to reveal the authoritative correspondence which he has shown to me and the difficulty of the South Indian States which I knew. The difficulty of these well-managed South Indian States is that they are not able to get as editors in British India those whose only purpose—insignificant papers though—is to blackmail them and misrepresent them or to blackguard them. In these States, let it be noted, there are a large number of well conducted newspapers opposed to the administration. There is no State in India today which has a more vigorous Press than Travancore and which, day after day, ask for the head of the Administrator in a charger. (Laughter.) I see my Honourable friend, Sir Lancelot Graham, smiling thus giving me an opportunity to correct my expression “in a charger”. Sir, the popular English error is “on a charger”. But if a reference is made to the Authorised Version of the Bible, both in St. Mark and in St. Luke, you will find the phrase “in a charger”, and I want that Englishmen must emerge from the familiar English error.

I was saying that these good States also must be given protection from bad criticism. After all, good manners are better than bad journalism, and it is bad journalism that we are striking at, and I hope that this motion will not be pressed to a division, but, if it is to be pressed to a division, I hope and trust that those, who do not want to play to the gallery of the communal Press and the blackmailing Press, will reject it without any mercy whatever. (Cheers.)

Diwan Bahadur A. Ramaswami Mudaliar: Sir, I want to confine myself very strictly to the merits of the amendment that has been moved by my Honourable friend, Mr. Patil. I want to make it clear to the House that even if this amendment is carried and clause 3 is deleted, the amplest protection will still be available against any newspaper which creates or attempts to create disaffection against the administration of any State. In the Indian States (Protection against Disaffection) Act, 1922, provision is made in section 3 for the substantive offence. The section reads:

“Whoever edits, prints or publishes, or is the author of any book, newspaper or other document which brings or is intended to bring into hatred or contempt or excites or is intended to excite disaffection towards any Prince or Chief of a State in India or the Government or Administration established in any such State shall be punishable with imprisonment which may extend to five years or with fine or with both”.

If therefore, there are any Honourable Members in this House who are under the misapprehension that this clause for the first time makes the act penal and that the deletion of this clause would make newspapers run riot in the country and attack Administrations without any penalty for such attacks, I beg to submit that they are mistaken. This clause does not create the offence for the first time. The offence is already there punishable with five years' imprisonment. This clause merely tries to substitute instead of the judicial machinery which will ordinarily try this offence and give a punishment of five years, an executive machinery which will

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act, without recourse to Courts, without sifting the evidence without the chance for the editor or the proprietor to establish his *bona fides*, and this executive machinery will order him to give security and later forfeit that security.

Now, the position that this House has to consider is whether it is necessary, under the present circumstances, granting all that can be said about the communal Press or the blackmailing Press, whether it is necessary for this House to arm the executive with these powers of forfeiting securities and in the last resort to forfeiting the press even; or whether it is not sufficient to rely on the very rigorous provision that is already contained in the Act of 1922, a provision whereby the offending editor or the writer can be sent to imprisonment for a period of five years. This clause merely tries, to impose a penalty or fine, a financial penalty, if I may say so, whereas the other section which is already on the Statute-book can send him to jail for five years. Do Government think that it is a greater hardship to the editor of a newspaper to get the press or his security forfeited, or to send him for a period of five years to jail if he commits this offence?

Now, Sir, what is the necessity for this provision? It has already been stated that this House or rather its predecessor was against the enactment of the Act of 1922 itself and that it was certified by His Excellency the Viceroy then and it became law. I am not willing to go into the past history of this matter. But having got that provision, why is it necessary to enact this clause which gives the executive power on the lines of the Criminal Law Amendment Act of 1931 supplemented by the Act of 1932? There it was a case of grave emergency, and I would like the House to realise the difference between these two particular cases. I am not now justifying the Act of 1931 or the Act of 1932, but, as the Acts are there on the Statute-book, I assume that the House has given its verdict in favour of them; and having made that assumption, I still want to show that there is a vast difference between the present provision and the need for the present provision and the provision with reference to British India. In British India, it may be argued that when a state of emergency exists, as it did exist during the last two years, and when offending journalists committed these offences, it was inadvisable to prosecute them, because the very prosecution would serve the object which they had in view, would create an amount of publicity, would bring many people into contact with these offending journalists or rather their comments, and would keep up an unhealthy state of excitement among people whom this prosecution must necessarily take place and this trial would be staged. But what is the position with reference to this clause in British India? If somebody had done anything or written anything to encourage the Civil Disobedience Movement and the prosecution had been started in a British Indian Court, naturally with all the publicity attending them, the people surrounding the Court and surrounding the area of the prosecution, the British Indian subjects to whom a direct appeal is made for continuing the Civil Disobedience Movement being affected, the executive could legitimately claim there would ensue the very effect which they do not want to produce, of furthering the cause of the Civil Disobedience Movement and making more people take to it. But the position is entirely different with reference to this provision. Supposing that you do not adopt the remedy given by this clause, you will have to resort to the Act of 1922 and prosecute the erring editor. Then you will stage a trial. Where? In British India. In what atmosphere? Where British Indian people not directly connected with the

Indian States live, where there is no chance of exciting disaffection among Indian States directly. And we all know that many Indian States have resorted to the provision of shutting out many newspapers from their borders. That is a power which is inherent in them. They can well do it, and I know many instances where newspapers which are regarded with the highest approval by even the Honourable the Home Member, like the *Hindu* of Madras, have been shut out from Indian States. When they can do that with respect to responsible newspapers, newspapers of the highest reputation, newspapers about which no Member on the Government Benches can question their *bond fides* or their fairness of criticism, it is the easiest thing for them to shut out every rag that criticises them or their administration. Therefore, I say that even the news of this trial, even the detailed proceedings of this trial need never enter such Indian State. If that is so, where is the harm in resorting to the ordinary procedure which you have already furnished by the Act of 1922 and prosecuting them? I have no sympathy with those malevolent journalists who, for the sake of blackmailing, write scurrilous articles. Prosecute them and give them the maximum imprisonment for five years. But why do you ask us to give power to the executive to forfeit securities? I am aware that in the Select Committee amendments have been adopted whereby the ultimate right of appeal, after the security is forfeited, to the High Court has been given, based on a similar provision in the Criminal Law Amendment Act. But I think it is a very different position indeed. For a small journalist, whose security has been forfeited or whose press has been forfeited, to go after the event to the High Court and try to have his case argued is not always an easy matter; and the High Court as has been shown, is helpless in these matters. The High Court cannot really go behind the decision of the executive and they have no materials placed before them, whereby they can judge whether this was intentionally done, whether it could create disaffection, and so on. Therefore, ultimately it comes to this that it is not even an alternative remedy, it is the sole remedy and the executive becomes the judiciary. That, I submit, is the worst form of combination. The executive has, under this clause, to do what? When it forfeits the security, it has to decide,—and I am now dealing with the *Explanations* that have been incorporated in this clause,—it has to decide whether the statements of fact have been made with malicious intention or without malicious intention, and they have to decide whether such statements of fact attempt to excite hatred, contempt or disaffection.

Now, Sir, how can we be parties to arming the executive,—and quite unnecessarily, as I venture to submit,—to be the judges in their own case, to decide whether an editor has had malicious intention or not had a malicious intention, whether the effect of the statements of facts contained therein is to excite hatred or contempt or not to excite hatred or contempt? My Honourable friend, the Home Member, the other day replying to the speech of my Leader, Sir Abdur Rahim, said that there is a difference of view-points:

"I have been trained on the executive side and I approach it from a particular point of view; my friend has been trained on the judicial side and he has naturally more partiality for the judicial way of disposing of cases".

I venture to think that he has done an injustice to himself. Whatever your training may be on the executive side, granting that you have been a District Magistrate or executive officer for all your 30 years, I am certain, no one on the Government side will venture to state that the judicial administration of this clause is not more impartial and the least liable to

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public criticism. Therefore, I hope that we are at one in thinking that the judiciary is a necessary thing, not a necessary evil, but a necessary good, as much for the protection of the individual and the members of the public as for the reputation of the executive itself. There is no better palladium to uphold the reputation of the executive than the judiciary, and, therefore, if the executive and any member of the public are at loggerheads, the tribunal to which they can both approach is certainly the judicial Courts, and these judicial Courts, I venture to think, will do justice between both parties.

Now, Sir, let me cite some of the criticisms that have been addressed. I venture to think, having carefully perused the various criticisms, that if there is one clause to which the severest objection has been taken, not by public agitators, not by journalists, not by advocates, but by responsible administrators, by men trained as my Honourable friend, the Home Member, has been trained, through years of executive administration, by men who occupy positions similar to that which he occupied only a few years back,—let me state the opinion of these gentlemen who state that the most objectionable feature of this Bill is the present clause 3 and the old clause 4. Reference has been made to my Province, and I should like only to quote two or three opinions from that Province. First is the Government of Madras itself:

“The Madras Government are of the view that there is considerable force in the Advocate-General's opinion that this clause is of so emergent a character as to require a state of emergency to justify its introduction. If, however, its introduction in present conditions is considered justifiable, the reason for assigning it a limited duration coterminous with . . . is not apparent, etc.”

Then, the Madras Government suggest at least some palliative by way of explanation, which, I am bound to say, the Select Committee has adopted.

Let me turn now to the opinion of some of the administrators, executive officers with no particular bias for judicial tribunals and with an executive mind born out of long experience of administration for a number of years—the District Magistrate of Ramnad for instance. He says:

“It is unquestionable, I think, that the subjects of Indian States neither enjoy the same elementary rights of citizenship, nor the same standard of efficient administration as the subjects of British India. That being the case, the Bill, as it stands is too rigorous.”

--And what is the particular criticism?—

“Section 4 of the Bill, sub-section (a) makes it exceedingly difficult for persons residing in British India to indulge in true criticism of the patent defects of any Indian State administration, without running very serious risks. The words ‘hatred’, ‘contempt’ and ‘disaffection’ are difficult of definition, and there is a danger that courts may take a strict view, even where the criticism is well founded, and made in good faith, in public interests.”

This is the opinion of an executive officer, the District Magistrate of Ramnad. If Courts could take a strict view, how much more is it possible for the executive to take even a stricter view of the case, because the Political Secretary thinks so or because for purposes, quite unconnected with the nature of the offence itself, the Government of India want to be in good relation with any particular Indian State, and I think, during the last few months or years, we have had examples of that kind.

Take again, some District Magistrates from the Bombay Presidency. The Collector of Dharwar says:

"The only provision in this Bill which appears controversial is clause 4 (the present section 3). Should it be rendered impossible to bring rulers of Indian States into hatred and contempt when some of them are notoriously the most contemptible objects?"

That is not my language. I am sorry I have to read it out, but the District Magistrate of Dharwar has asked the question of the Honourable the Home Member who circulated this Bill to him. The Collector goes on to say:

"It appears to be part of the price that British India has to pay for the reforms which are now being elaborated. For political reasons, many States are being handed over to Political Agents who live at a distance;"

—this District Magistrate knows what he is talking about—

"and now it is proposed to extend to them a protection against blackmail, which they do not merit. It is regrettable that the reforms involve a waste of time and energy of this sort, but presumably it is inevitable."

This is the opinion of an executive officer. I will now refer to another Magistrate, the Magistrate of Belgaum; no wonder, my friend, Mr. Patil, who comes from very near that locality, took the view from the District Magistrate of Belgaum. He says:

"I see nothing objectionable in the provisions of the Bill except clause 4. I fear that if this clause is passed legitimate criticism of misdoings in an Indian State will be discouraged. Even in the case of British India, the Indian Press (Emergency Powers) Act was passed as a measure of emergency and I do not see why its provisions should be extended to protect State administrations which in many cases are not above criticism and are able within their own boundaries to stifle comments on themselves. It would be in the interest of the population of such States if free scope was given at least to the outside Press to criticise their maladministration wherever such exists."

These are responsible gentlemen who are not willing to allow the Press to run riot, but who see that there is another side of the case, another side to the picture, and who are anxious that the Indian States administration should not be more corrupt and more difficult than it is at present . . .

Mr. B. Das: May I tell my friend that these gentlemen must be *ex*-Political Agents, because in Bombay Collectors are Political Agents?

Diwan Bahadur A. Ramaswami Mudaliar: Let me now turn to the Punjab about which a great deal has been heard. The Deputy Commissioner of Ludhiana, a very high official coming from the Punjab, says:

"Clause 4, which would enable Government to confiscate the security of a printing press where documents likely to bring into hatred or contempt or to excite disaffection towards a State administration may be published, however, stands on a somewhat different footing and is not in my opinion really necessary. It is a painful reality that the administration of many States is to put things mildly, far from good and there may be cases where even a bare publication of some hard facts may fall within the purview of this clause on the ground that it would tend to bring into hatred or contempt the administration of those States. Very few states have got an independent Press and the subjects of most of them have not got even ordinary elementary rights, leave alone the rights of having a Legislature and discussing things therein. They have thus no alternative but to ventilate their grievances in the British Indian Press and if this legislation is enacted, the British Indian Press would be shy of publishing even those documents that contain a true narration of facts. Therefore until and unless the State subjects get the same rights as we enjoy in regard to Press criticism of British Indian affairs, the States are not in my opinion entitled to get the same protection which the executive in British India possesses."

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Now, Sir, take another gentleman from the Central Provinces, and this time I will turn to a judicial officer, the District and Sessions Judge of Raipur. He says:

"The wording of clause 4 would be appropriate to British India, where the administration is admittedly good, but the circumstances in many States are so different, that the scope of the clause is automatically widened. In my opinion it would be very difficult for honest criticism in many instances to escape the liability of section 4, Indian Press (Emergency) Powers Act, as proposed to be amended. I consider it necessary in making the Act apply in respect of Native States to modify the amendment so as to include the ingredient of intention."

I am bound to say that in the *Explanation* to that clause it has been put. But what is the good of putting in that ingredient if the person who is to judge is not a judicial officer, but your own executive officer? That is my main criticism on this Bill. I have no objection whatever, notwithstanding the fact that the Indian States subjects have no possibility of ventilating their grievances, to the provision that has already been put in section 2 of the Act of 1922. Prosecute them by all means, but go before a Court of law: let there be a wider publicity of these things. It will do good to the State; it will do good to British India, and I venture to think, to the Government of India; for, how is the Political Secretary and His Excellency the Viceroy, who is in direct charge of these powers, to know about the conditions of a State? (Interruption.) The other day, the Honourable the Law Member said that the Government thought that they could interfere where there was maladministration in a State: that is the accepted position; but how is this maladministration to be proved? Not by the Press within the State, because there is no Press within such a State; not by the Press in British India, because any statement of facts which will prove maladministration may bring the administration of the State into hatred and contempt, and may, therefore, make the British Indian journals liable to the penalties which this clause provides for. Then, I ask, if the Political Secretary is to discharge his functions properly, how he is going to satisfy himself that in an Indian State there is maladministration?

Sir, they talk in the scientific world about the safety valve.
 1 P.M. There must be some safety valve somewhere even with reference to Indian States. I am not against any of these Indian States at all. I am one of those who believe in Federation, who did everything possible for the Indian States to come into the Federation, but I venture to think that the question of Federation has nothing to do with this matter at all, and that no Indian State, which is seriously thinking of coming into the Federation and which is worth coming into the Federation, would care to have these provisions or would not seriously object to coming into the Federation if this provision were enacted. I again invite the attention of this House and of my Honourable friend, the Home Member, if they have got positive provisions in the Act of 1922, why they should think of investing this supernumerary power, of arming the executive to bottle up free criticism in British India? I have some little knowledge of the Press in my Province, and I say that even the best edited journals are in fear of these security sections. They know that once a notice comes from a Chief Presidency Magistrate or the Commissioner of Police that the sword of Damocles is on them at every stage. They write every day in trembling and with fear. They do not know what to publish. Their editorials are all right, but the trouble is with letters which come to the Press, and having had something to do with the editing of newspapers, I

may tell the House that the editor of a paper is not afraid of what he writes himself, but he is afraid of the correspondence column, he is afraid of publishing what is sent to him by correspondents for publication. An inadvertent publication of a letter sent to him by some correspondent and which has been passed by a sub-editor, who has been in charge of the Press in the absence of the editor, may result in very serious damages to the proprietor, to the editor and to the Press itself, and, therefore, it will become an impossible task, and many British Indian newspapers of the kind,—and not the gutter Press which go out of their way to blackmail,—will think twice, thrice and even a hundred times before they publish a statement of that kind.

Sir, the Kashmir agitation has been referred to specifically, and many newspapers have also been referred to. I was following that agitation somewhat carefully in those days, but I think the strongest articles, the most closely reasoned arguments of the statements of facts appeared not in any gutter Press, but in one of the newspapers which are considered the most responsible and the most reasonable of the Press. It was the *Statesman* that day after day published statements about Kashmir, it was the *Statesman* which showed how a change in the administration was essential, and ventilated the grievances of the State subjects of Kashmir. Now, Sir, I have nothing to say against that policy, but I venture to state that with the sword of Damocles hanging over it, even the *Statesman* will think a hundred or even a thousand times before publishing these facts. Sir, I am not going into the merits at all, and, therefore, I say that the result of it will be to prevent an honest ventilation of facts in the most respectable and responsible journals in British India

Mr. C. S. Ranga Iyer: Not at all.

Diwan Bahadur A. Ramaswami Mudaliar: I think that this House should, as far as possible, while protecting the Indian States, while protecting the administration of the Indian States, see whether the enlarged powers asked for are necessary. My Honourable friend, the Law Member, the other day said that this was a neighbourly act and that we must see that our neighbour's State should be protected. I agree, but does he not realise that there is a small difference between the position of two independent States and the position of an Indian State?

With reference to the numerous States that have sprung up in Europe after the War, for instance, the subjects of one State belong to one nationality, the subjects of another State belong to a different nationality. It sometimes happens that there are subjects of one State living in another State. A notorious instance of that is the position of German subjects in Poland, and those who have followed the criticism and attacks in the German Press will realise that because the Polish Germans were flesh of their flesh and bone of their bones, the Germans in Poland were safeguarded and that they were not actually misruled by an independent Polish Government. Now, what is the position? I live in British India. Hundreds and thousands of my relatives are living in Indian States. We are not different nationalities. If God had made these States so self-contained that men of one nation should have nothing to do with men of another nation in British India, I could understand the arguments of my friend, but are they going to ignore the domestic ties, the family ties, and are you going to suggest that the people in British India can be brought up in such a way as if in a water-tight compartment that they cannot feel for

[Diwan Bahadur A. Ramaswami Mudaliar.]

the abuses to which their own kith and kin are subjected in Indian States? My friend, Mr. Mody, knows a good deal more of the domestic infelicity that exists in some of the States, because, he lives in States which are closely associated with Bombay. I, Sir, in spite of what has been said, come from a happier clime and from a happier land. I come from a place where the Indian States,—I acknowledge with gratitude—most of them on our side are so well governed that very few of us have any complaints at all. Mysore and Travancore are model States, and, therefore, I have not got any feeling against them at all. I have said so in Mysore, and I have said so outside Mysore,—it is not because of any feeling against it, but because I cannot close my eyes to obvious facts elsewhere in India that I have pleaded with the Political Department and the Honourable the Home Member that they should give some opportunity without the sword of Damocles or any kind of executive pressure hanging over the heads of respectable newspapers enabling them to publish a fair and bare criticism of facts or of abuses that may exist in some of these States. Sir, I support this amendment.

Mr. N. M. Joshi (Nominated Non-Official): Mr. President, my friend, Diwan Bahadur Mudaliar, has very ably dealt with the legal aspect of the amendment moved by my friend, Rao Bahadur Patil. I propose to deal with this amendment from a political point of view, and, while doing so, I may tell my friend, Mr. Ranga Iyer, that I am not ashamed of being considered a theoretical believer in the freedom of the press. May I also tell him that I don't propose to change my views for the pleasure of escaping the accusation of being consistent in our views.

It has been said that this piece of legislation is necessary in order to prevent blackmail by what is called the gutter press. I have never been a journalist for a long time, although I have had some experience of journalism, about which I shall speak later on, but I may say at the same time that this measure is not likely to be used only against the gutter press. It may be used against any press. We know the cases that have so far been made against the papers in this country under the present legislation. From that it is quite clear that it is not only what are called the gutter papers which are prosecuted, but some of the most influential papers in this country are being prosecuted under the press law. I, therefore, feel that it is wrong to talk as if this legislation is going to affect the gutter press only. I am prepared to admit that some blackmail is going on, but may I ask, if there are papers that ask for blackmail, why are there princes that give blackmail? I should like to have a reply to that question

Mr. O. S. Ranga Iyer: The answer is that if this Bill is passed, such princes will be prevented from encouraging blackmail. Therefore, it is good for the princes also.

Mr. N. M. Joshi: I would like Mr. Ranga Iyer to tell me why there are any princes who are willing to give blackmail to those papers which are gutter papers?

Mr. O. S. Ranga Iyer: Because there are gutter princes also. (Laughter.)

Mr. N. M. Joshi: The truth has come out. There are gutter princes. We, who are in public life, know that our acts are not and cannot be immune from criticism, and sometimes we all have experienced criticism which we may consider to be unfair and which we sometimes regard as intended for blackmail, but those of us who do not like the criticism take shelter under the ordinary law of the land. They go to the Court, but many of us treat the criticism in the press with contempt. We do not feel that our reputations are so fragile that a few sentences in the gutter press will affect them. That is the right way to deal with the criticism of the gutter press.

Mr. C. S. Ranga Iyer: But the gutter press unfortunately deals not only with the gutter princes, but also with good princes, and, therefore, the gutter press must be put out for the sake of improving the gutter princes and excluding the good princes from its gutter attacks.

Mr. N. M. Joshi: I am talking of the good princes. I feel that those princes who are good will surely have such good reputation that that reputation cannot be taken away by what the gutter press may write.

Mr. C. S. Ranga Iyer: For instance, supposing Mr. Joshi is, day in and day out, libellously pilloried, he has the right to go to a Court of law. But the princes are in a different position, and you cannot reduce them to the position of citizens of British India, and, in order to prevent this gutter press libel, you have got to protect them by this legislation.

Mr. N. M. Joshi: I do not feel that the citizenship of the British Empire is so mean

Mr. C. S. Ranga Iyer: I was talking of British India.

Mr. N. M. Joshi: the citizenship of British India is so mean that any prince should disdain to be a citizen of British India!

Mr. C. S. Ranga Iyer: Then you want an abolition of the Indian States.

Mr. N. M. Joshi: I know even the British King was not ashamed to appear before a British Court when he wanted to vindicate his character. (Hear, hear.) Why should these princes be ashamed to appear before a British Court to vindicate their character?

Mr. C. S. Ranga Iyer: The princes will have to appear every day, because they are libelled every day in the gutter press.

Mr. S. C. Mitra: Sir, if the Honourable Member is allowed to interrupt in this way after each sentence, and that also not as a matter of personal explanation, is that in order?

Mr. President (The Honourable Sir Shanmukham Chetty): When the Honourable Member (Mr. Joshi) is ready to give way every time, what can the Chair do?

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muham-madan): It becomes a regular dialogue.

Mr. N. M. Joshi: I feel that the good princes should either treat the criticism of the gutter press with contempt or go to the British Courts under the ordinary law. But, Sir, my complaint against the princes is that they not only submit themselves to be blackmailed, but they are the parties who offer inducements to people in British India to ask for blackmail. It is they who tempt them. I was once several years ago connected with a daily paper

Mr. President (The Honourable Sir Shanmukham Chetty): What time will the Honourable Member take?

Mr. N. M. Joshi: About 10 or 15 minutes.

Mr. President (The Honourable Sir Shanmukham Chetty): The House stands adjourned till 2-15.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. N. M. Joshi: When we adjourned for Lunch, I was saying that if there was a danger

Mr. Gaya Prasad Singh: I rise to a point of order. Is there a quorum in the House?

(As there was no quorum, the bell was rung for one minute, then Honourable Members came in, and there was a quorum.)

Mr. N. M. Joshi: Sir, if there was a danger of Indian newspapers blackmailing the Indian princes, there is an equal danger of a very serious kind of Indian princes offering temptations which I might call blackmail to Indian newspapers and Indian public men. I was once many years ago in charge of a Mahrathi daily paper. My Honourable friend, Mr. Ranga Iyer, does not expect me to admit that it was a gutter paper.

Mr. C. S. Ranga Iyer: Surely not.

Mr. N. M. Joshi: I am willing to give the name of that paper if he likes to know.

An Honourable Member: What is the name?

Mr. N. M. Joshi: It is called *Dnyan Prakash*. When I was in charge of that paper

An Honourable Member: How many years ago?

Mr. N. M. Joshi: 25 years ago, the paper wrote an article dealing with some matter connected with the Indian States in the ordinary course of its work. After two or three days, I received a cheque.

An Honourable Member: What amount?

Mr. N. M. Joshi: Either the amount of the cheque was not tempting enough or the Servants of India Society to which the paper belongs could maintain the paper without such a cheque. the cheque was returned, but the fact remains that a cheque was sent, and I am quite sure, before this discussion ends, the Assembly will know that it is not a solitary attempt on the part of an Indian prince to offer temptation to the Indian press for reasons of their own. This evil becomes greater when there is a quarrel between the princes themselves. You will remember very well that there was a time when there was a very big bumper crop of legal advisers in this Assembly. I do not suggest that a Member of the Legislative Assembly should not accept the position of a legal adviser to an Indian State, but when we see a big crop of such advisers all of a sudden, the circumstances become suspicious. The legal advisership is not confined to Members of the Legislature. It is travelling from the Members of the Legislature to retired High Court Judges and retired Members of the Executive Council. The Auditor-General in India is supposed after his retirement not to take up any service under the Crown, but a convenient prince is found to offer some kind of advisership even to the Auditor-General in India. This is happening in British India, and I say, if there is a danger of blackmailing by the Indian papers, there is an equal danger or a more serious danger from the princes themselves to the public life and the purity of public life in this country. (Applause.) I feel that this danger to the purity and the honourable traditions of public life in this country will be much greater when the Federation comes into existence. The representatives of the Indian princes and the Indian princes will begin to sit in this Legislature. It is, therefore, necessary for us today to see that safeguards are taken against this danger. I am not suggesting that, because there are these dangers, therefore we should not have a Federation. That is not my suggestion, but my suggestion is that it is absolutely necessary for us to put a stop to this serious menace to the public life of this country. So far as the blackmailing by the papers is concerned, the only remedy that suggests itself to me is that the Indian princes should give free scope to the development of press in their own territories. The Honourable the Political Secretary, when he spoke, mentioned a few papers that exist in Indian States, and he said, their number was 200. I wish the Political Secretary had placed a list on the table. I would have asked how many of these 200 papers are allowed to write on political subjects. I should have asked him how many of these papers exist in how many States and which are those States. If there are papers, they are confined only to a handful of States. If there are papers, most of them do not deal with politics. The real remedy for the princes to protect themselves against blackmailing by papers is that they should allow a free press to develop in their territory. It is because there does not exist a free press to defend the actions of a good prince that he has to give blackmail to a paper that writes against him. If for every one blackmailing paper there are ten papers that defend a prince, where will be the need for blackmail? I feel, therefore, that the Political Department, instead of bringing forward this legislation and trying to pass it, should give a friendly advice to the Indian princes that, as they, the British people, have allowed a free press to develop in this country, the Indian princes should allow a free press to develop in their own territories. Therein lies their protection against blackmail. Mr. President, there are

[Mr. N. M. Joshi.]

other remedies against blackmail, but I shall not deal with them today; I shall have another opportunity to deal with those remedies when my amendment comes up for discussion.

Mr. N. M. Dumasia (Bombay City: Non-Muhammadan Urban): Mr. President, I have the disadvantage of speaking after two most eminent and eloquent journalists. They are diametrically opposed to each other. I claim, so far as my Presidency is concerned, and so far as the papers which specialise in Indian State affairs are concerned, a longer and more intimate experience, and I say without hesitation that this clause will not in the least prevent an honest journalist from ventilating the grievances of the States subjects. Even a more drastic clause would not bring an honest, trained and experienced journalist into the clutches of the law. To an ordinary mind, not well versed with the conditions obtaining in the States in the Western Presidency to which I belong, the clause may appear drastic, but, to my mind, blackmailing, which is an evil which this clause tries to remedy, is only a minor aspect of the question. During the debate, the opponents and critics of the Bill made it quite clear that there would be risings in the State were it not for the fear that British troops go to support the Indian States. It is to prevent those risings, it is to prevent those rebellions that a drastic measure is necessary. If the Indian States are destroyed, who, Sir, will be saved in British India? Sir, I know certain papers which in season and out of season incite people to risings and rebellions and they feed upon them and they live upon them, and that is their business. If they become sober newspapers, then their vocation will go. Sir, if a prosecution were undertaken, this incitement to risings will be advertised all over the country and the mischief that it would generate would be incalculable.

After this Bill was introduced in this House, several new papers specialising in Indian State matters have come into existence and more papers are shortly coming into existence to protect what they call the "Indian States peoples' rights". Now, if they thought that this legislation would interfere with their liberty, these newspapers would not have seen the light of day. One paper has just been published in Bombay, another in Calcutta, and a third is to be published in Delhi, and it is through these that propaganda is being carried on against those Indian States. My friend, Mr. Das, said that he would like to pension off the Indian princes. That reminds me, Sir, of what Mr. Bernard Shaw once said about politicians. He said that if it was in his power, he would banish all politicians (Hear, hear). But his difficulty was, where to get better men in their place. I ask Mr. Das whom is he going to substitute in place of these princes?

Mr. B. Das: The British Government.

Mr. N. M. Dumasia: Mr. Das would not have the present Constitution. he would not have the princes, what does he want? A brown oligarchy for white bureaucracy? Sir, please remember that the spirit of irreverence that is abroad touches everybody, and unless this is stopped, the mischief will be incalculable. I have visited many places in Kathiawar where there has been an incitement to a rising, I have studied the conditions of the States, and I can say that they are far better than those prevailing in many civilized countries of Europe or in other parts of the world. Sir, I am not speaking as an academic man, I am speaking from my personal experience (Hear, hear), and if Mr. Das were to come with me, I will show him what the Indian princes are doing for their people.

Mr. B. Das: They won't arrest me, I hope?

Mr. N. M. Dumasia: I guarantee that Mr. Das will not be arrested. Well, if my friend wants to make short shrift of them, they will naturally try to make short shrift of our politicians. Sir, there are States and States. I do not say that there is perfection in all these States. But many speakers have tried to make out that the Political Department is partial to the Indian princes. If they only knew what is concealed behind the cryptic announcement of "voluntary abdications", they would know how hard sometimes the Political Department has been upon the Indian princes. (Hear, hear.)

Mr. S. C. Mitra: Protect them against the Political Department also.

Mr. N. M. Dumasia: That is not within our purview. Sir, from my experience I would like to add to the excellent testimony that has been given to the States in South India, but if these gentlemen knew of the poisonous stuff we every day get from interested parties against these very enlightened States, they would be shocked. I have to deal with them, and I know that if we were to publish the stuff that has been sent against these model States, we would land ourselves in trouble. Sir, the honest journalist and the trained and experienced journalist instinctively knows what is wrong, and he would not touch what is wrong. A man who is bent upon mischief will always economise truth, will be careless of truth, and his only object will be to destroy the States: and it is our duty (Ironical Laughter)—you may laugh, but I say it will recoil upon you, it will have repercussions throughout India, you do not know what mischief is brewing in certain quarters. With these words, I oppose the amendment.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, in this debate we have heard several speeches made in favour of princes or against the princes, but here we have to deal, not with the princes, but with the Administrations of the Indian princes; and if we confine ourselves to the issue which is before us, then I think the matter will be made greatly easy. As regards the matter of the personality of the princes that has been brought in, well, some princes undoubtedly are not so good as others are, but we have to remember that amongst the Order of the Princes there are some whom, I daresay, this House will be only too glad to have and to wish them to occupy the highest position which anybody in this country can occupy. (Hear, hear.) These princes should not be mixed up with a few old remnants or a few careless people. We cannot say that in British India all people are good and that in the Indian States all people are bad. That theory can never stand. As we are human beings, we can find good and bad people everywhere. We should ignore the fact that there are some people who do not come up to the proper standard. What we have to see here is the protection of the administration of the State and not the prince himself. My Honourable friend, Mr. Joshi, gave an illustration which happened 25 years ago, which is quarter of a century. My friend, Mr. Ranga Iyer, very rightly remarked that that was the time when Mr. Das was not even born.

Mr. N. M. Joshi: Probably the argument changed. They would come to offer temptation to India.

Mr. Muhammad Yamin Khan: There was a time when worst things were happening. 25 years ago, the British Indians were not as enlightened as we find them to be today. How many people were of the type of Mr.

[Mr. Muhammad Yamin Khan.]

Gokhale in his time? Mr. Gokhale in his time was considered to be a revolutionary, because he was revolutionising the ideas of that time, but if he were alive now, he would have been considered to be the most moderate man. So, the time has changed, and, with the changing time, the princes have also changed. Even in the States we find today criticism. The public mind is changing; British India is changing and simultaneously it is having its effect on the Indian States.

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): Are you also changing?

Mr. Muhammad Yamin Khan: My friend will never change, I suppose, in his interruptions. He will continue to interrupt as he used to do three or four years ago.

So, Sir, when we find that British India is changing, it is having its effect on the minds of the Indian princes and the subjects living under them. It is next to impossible that the force of public ideas should not create an appreciable effect on the minds of the princes. The princes 25 years ago were hardly sent to any school. Now, every prince is given modern education. He comes back from the school with improved ideas, and, as long as he is very young, he is kept under the supervision of an experienced officer. I think the time has come when we find that although a man may not be so bad, but he begins to get bad reputation if he is called bad, and that spoils the man also. We have seen what sort of pamphlets were used to be given to us ten years ago when there was a quarrel between the rulers of two States. We knew that certain newspapers in order to please one prince were trying to bring all kinds of infamy on the other prince. We knew when Nabha and Patiala were fighting that the people who were interested in one prince or wanted to extort money from him used to blackmail the other prince. That led to very serious consequences and it never ended in anything good. At least nobody in this House can deny that there is a certain section of the press which deals with nothing else except the Indian States. Their business is to go on praising the administration of one Indian State and at the same time begin to collect the material about the other. When they get the material against an Indian State, they begin to threaten it. At first they write only one small article, and, at the end of it, say that something more is to follow. Naturally, the prince becomes anxious. I admit that these princes also encourage these blackmailers. If they rise to the occasion, nothing can happen to them. On many occasions these press reports appear at such a time that it is next to impossible for the prince or for his administration to give a full explanation. I do not mean to say that there is nothing in this clause which should not be changed, but when it is proposed that the whole clause should be omitted, then I ask, what will be left of the Bill. If you take away this clause, then only those clauses will remain in the Bill which relate to *jathas*. That is not the sort of the Bill we want. Now, how these *jathas* come into existence? They come into existence because of the agitation which is created by a certain section of the press against the administration of a State. These *jathas* would not have come into existence if the press had not been agitating. The press is responsible for their existence. So, I say that if you omit this clause, the rest of the clauses become absolutely useless, because, really speaking,

this clause is responsible for the subsequent actions of the other people who are innocent, and who do not know anything about it. It is this gutter press which carries about the disease which spreads amongst the people who are highly sentimental and they begin to form the *jathas* and march into the State. So, this clause is absolutely essential if we want this Bill. If this clause is deleted, then I may say that the whole Bill should be thrown out.

An Honourable Member: Throw it out.

Mr. Muhammad Yamin Khan: Sir, there is a section of the press which deals in blackmailing, and I would like to know whether it is or it is not the duty of the Legislature to come forward and stop this evil. If it is the duty of a responsible Legislature like the Assembly to see that any kind of offence which is committed should not be committed in the future, then I say that this Bill is absolutely necessary and it should be passed. As I have already said, the princes are not free from blame. They are to be blamed. But it is no argument to say that if one prince is wrong, we shall allow every prince to go wrong. If these people are wrong, if they are weak, if their character is weak and they cannot face criticism even of a personal nature, we cannot allow another set of people to exploit the weaknesses of these individuals. There may be weaknesses, but we cannot allow them to be discussed in the press for the benefit of a few people. If this evil is allowed to continue, it will have a far greater effect on the people of British India than on the people whose evils we are trying to remedy. I think this is the only argument at present, although I am not in favour of all the provisions contained in this clause. I really do not like many matters in this clause, and unless they are explained to me, I am afraid I cannot say that they are properly drafted or legally correct. I have nothing to say about the policy. It is no doubt we should see if it is a good law. If it is a good law, I do not mind its remaining on the Statute-book. Whatever may be the policy of the Government, I want to see that policy carried out by enacting good laws, so that the Judges of High Courts may not misconstrue or misinterpret the law. The law should be so clear that the Judges may feel no doubt about the real intention of Government. It should not be that the Government meant one thing and that the Courts interpreted the same in a different way. Beyond this, I do not think that our policy should be guided about the personal character of the princes or the weakness of the princes. We should only remedy the evil which exists in British India and for which alone we are responsible. If we want to protect ourselves, we must also give protection to those who are our friends. Much has been made out about the word "neighbourly" used by the Honourable the Law Member. The Law Member said we should give protection to our neighbours. I submit we should not quarrel whether these neighbours are good neighbours or bad neighbours. That is not our concern. It does not necessarily mean that our neighbours should be good ones. As far as the administration of the States are concerned, we can criticise all of them and the press will be left free as my Honourable friends, Mr. Dumasia and Mr. Ranga Iyer, who have great experience of journalism, said that severe criticism can still come from the press in spite of this provision. This provision will only apply to people who are called thieves, and this will not apply to honest people. Therefore, I oppose the amendment and support the retention of the clause subject to the modifications which might come later on.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, my complaint against Government and my Honourable friends opposite is that they fail to do themselves justice. Sir, this is rather an exceptional case, and I do not mean to say that my Honourable friends opposite do not know their own good qualities on all other occasions, but in this Bill, I do maintain that they do not do full justice to their own administration of this country. We were told that *Explanation 5* in the clause with which we are dealing was inserted on account of some criticism of the Bill during the very first stages of its discussion before the House. Now, I am afraid I cannot really see how that criticism has been completely met by this *Explanation*. The *Explanation* says:

"Statements of fact made without malicious intention and without attempting to excite hatred, contempt or disaffection shall not be deemed to be of the nature described in clause (j) of this sub-section".

The main point is that due to the administration of some of these States, if a pure statement of facts were made, it would be impossible to prove that no attempt was made to excite hatred or contempt. I maintain and I strongly maintain that some things that are going on in some States, if related in the press accurately and faithfully, are bound to raise contempt or hatred for that State, and it would be very difficult for the person giving expression to those facts in a newspaper to prove that he did not have any intention to bring that State into hatred or contempt. That is my objection to the *Explanation* that has been inserted.

The Honourable Sir Harry Haig (Home Member): The Honourable Member will no doubt recognise that we have not used the words "without creating hatred, etc.". In that case it might have been subject to the criticism which the Honourable Member just made. But we have used the expression "without attempting, etc.".

Sir Cowasji Jehangir: How is it possible to find that out?

The Honourable Sir Harry Haig: It is not a very difficult matter.

Sir Cowasji Jehangir: How is it possible to find out whether I am attempting to create hatred or contempt if I give a mere statement of facts? If you say that a mere statement of facts, pure and simple, should not come within the mischief of this clause, I can understand it; but you go and qualify it by saying that there shall be no attempt to excite hatred or contempt. I maintain that however much I may desire not to attempt to create hatred or contempt for that State, I am bound to do so, and it can be nothing else but a desire on my part to draw attention to these facts and to bring about a state of affairs which does create hatred or contempt in order to get redress. After all, Sir, who are the judges, as so many Honourable Members have asked,—Government themselves. It is not a judicial enquiry where I can put up a defence. I cannot put up a defence, and, therefore, I maintain that, in a really bad case a *bona fide* statement of facts would come within the mischief of this clause. I stated when I started that Government did not do justice to themselves. I want to justify that statement. The Press Act came into existence in this country at a time when my Honourable friend opposite was in real difficulties. There may be difference of opinion whether he was justified in putting such a law on the Statute-book, but there can be no denying the fact that in this country, there was a state of affairs prevailing which

cannot be compared to the state of affairs that prevails in this country with regard to the States. I say it deliberately and without any hesitation that there were certain newspapers in this country whose one business was to bring Government into hatred or contempt. They considered it their duty to do so, I may say even it was their declared policy, to upset the Government and place another Government in its place. That was the state of affairs which faced my Honourable friend when this Press Act was passed which gave him powers of suspending the operations of any newspaper he liked by demanding securities from them and by forfeiting those securities. Does that state of affairs exist with regard to the Indian States today in British India? Can he compare the two positions now that he desires to apply this Act even to malicious defamation against Indian States in British India? Therefore, I say, Sir, he does not do himself justice and the administration of which he is the head, and may I say, the administration of which he is an ornament, an administration, which today there is not a single Member in this House who will contend is not better than the administration in a very large majority of Indian States in India. If my Honourable friend desires to plead that the administration in British India is no better than the administration in most of the Indian States and that an attack against his administration can be as frequent and as justified as attacks against the administration of many an Indian State, then I am prepared to take my seat and support him. But I shall do so with the greatest reluctance and against my conscience. No man in his senses in British India today is prepared to state that the administration in British India has fallen as low as the administration in some of the Indian States; and if that were not so, may I ask my Honourable friend why Government have lately on more than one occasion have had to interfere with the administration of some Indian States? Surely he does not mean to state that an exposure of the administration of some of those States against which his Government have taken action would not be justified? Sir, the position is difficult; I admit it is. I do not wish to go into any great detail with regard to the difficulty of the position; I will make a passing allusion to it. We are on the threshold of constitutional changes when Government believe, and we also believe, that it is most desirable to have the goodwill of many of the Indian States, and we are prepared to make certain concessions. But I will ask my Honourable friend a question. Suppose there were criticisms in a newspaper about an Indian State, suppose it was on the border line, and that that Indian State pressed Government to take action under this clause. Considering the present political position, considering that this political position may continue for some time, does not my Honourable friend believe that Government will be rather influenced in favour of that Indian State and put this clause in operation a little more readily than they would have done ten years ago? I do not wish to go much further on this point; it is a delicate point. It is a question in which we are all interested. We all desire the goodwill of the Indian States, but there is a limit to the price which we are prepared to pay. One condition and one price that is demanded of us here is that we shall put the administration of British India and the Indian States on the same level. However ready my Honourable friend, the Home Member, may be to do so, I refuse to do so as, may I say, an advocate of the Government of which my Honourable friend is a member. There is no parallel between the conditions prevailing in this country when this Press Act was passed and the conditions prevailing today with regard to the Indian States. Besides which,

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the conditions prevailing today have prevailed in India for a number of years with regard to these States. The only change has been that the States have become more vocal and they have got the ear of the Government of India and even of the higher authorities for certain reasons I have already alluded to. I can remember a time when many an Indian State shouted itself hoarse over grievances to be remedied, but Government paid little heed. Today an Indian State bringing up a grievance is immediately heard with an attention which sometimes that grievance does not deserve. It is a change of times and circumstances. And, therefore, taking advantage of these times and this change of circumstances, it is possible that the Indian States are demanding legislation which they would not have dreamt of demanding ten years ago. They would not then have had the slightest hope of success. They are demanding it today as a price for something which it is expected they will give in the future. And, Sir, what are we getting in return? My Honourable friend asks us to give this considerable protection to Indian States, and when we, in our turn, ask from the Indian States justice for the revenues of British India, how are we treated? It strikes me, Sir, that all these demands within the last four or five years are very one-sided indeed and Government are inclined to be most lenient. I do wish to draw a line at this leniency now. Let it not be said that we in British India begin to tighten up the strings after we had got all that we wanted out of the States. Let us tighten up the strings immediately as an example of what will come in the way of justice and equity in the future. We ask with regard to the Indian States no more than what we are prepared to give; we ask of them nothing that we cannot base on justice, on equity and on fairplay. Sir, why should not an Indian State sue for a libel if it is defamed? Why, lately we had His Majesty the King having to sue for libel; we have had Prime Ministers of England suing for libel; we have had the greatest men in England suing for libel, going into the Courts, going into the witness-box, facing the Judges.

Several Honourable Members: In their own Courts.

Sir Cowasji Jehangir: Surely it is not expected that these Indian princes and their States should be placed on a level higher than His Majesty the King of England, our Emperor! If there is a defamation against the ruler of a State, Government desire to stop that paper by demanding security and forfeiting security; but if my Honourable friend, the Home Member, was defamed, he must go and sue for libel and prove in a Court of law that he was defamed.

The Honourable Sir Harry Haig: Not if the attack is on the Government.

Sir Cowasji Jehangir: No; I admit that, but in his individual capacity it is so. In his individual capacity, today, my Honourable friend, the Home Member, if he was defamed personally, will have to go and sue for defamation.

The Honourable Sir Harry Haig: What about the provisions of this Bill?

Sir Cowasji Jehangir: If the rulers of Indian States are defamed today under this Bill,

Honourable Members: No, no.

Sir Cowasji Jehangir: It is the administration: what have we been discussing for the last day or two? What have you been claiming for the last day or two? You have been talking about blackmail and libel against the person of a prince or Ruling Chief personally. In fact it is very difficult to distinguish in an Indian state, between the administration and the ruler. The ruler is the administration and the administration is the ruler. He makes the laws, he dispenses the laws, he is the judge; he hangs and he acquits. It is all very well to go upon technicalities. Let us go upon a little bit of realities too. I personally do not see why this protection should be given, and when we come to blackmail, one of the dirtiest crimes on earth, a man with clean hands who is blackmailed sometimes is reluctant, I realise, to go to a Court of law, because mud may stick; but if he has really clean hands and the libel is really blackmail, he will face a Court of law, as an Indian ruler has already done. But it is very often the case that in these blackmail and libel charges against Indian States, there are quarter truths and half truths—a good deal of exaggeration with a small semblance of truth in it. It is the desire to prevent making public that very little of truth that gives the gutter press all their advantage. It will not protect the relations of an Indian ruler against blackmail. As has already been pointed out, this blackmail is going to continue, and the only way it can be successfully tackled is by bearding the lion in his own den, sending him to prison. You may get men who have got a grudge against an Indian State ready to sacrifice a few thousand rupees by way of security. You will not get many men ready to go to prison.

Considering the matter as a whole, I do think that my Honourable friend is asking us a good deal more than we are prepared to give in this particular clause. Other clauses of the Bill have been readily agreed to, and considering that this Act is only going to last for two years more, and that the necessity for protecting these Indian princes is going to continue for many a year to come, I do not know what the position will be in two years' time. We may be asked, on the analogy of this provision here, to pass legislation protecting the Indian States even more than the British administration may be protected in the future. If you consider this protection as justified today, you must admit that it will continue to be justified for a number of years. You must also be prepared to admit that even if the Press Act may have been justified when it was passed it may not be justified two years hence; and that there are many more chances of the Press Act not being necessary for British India than this clause being necessary for Indian States. I do hope that my Honourable friend, the Home Member, will not attempt to place his administration on the same level as the administration of certain Indian States.

The Honourable Sir Harry Haig: Sir, I confess I am disappointed with my Honourable friend, Sir Cowasji Jehangir. In a speech which I took to be a not unfriendly one in Simla, he made a complaint in relation to this clause that it might be possible for statements of fact to be made which would bring a newspaper under the provisions of the Bill as

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framed. We took that criticism to heart and we have introduced an amendment intended to meet that criticism, and my Honourable friend turns round and says that he has no use for our amendment. I think that he has been unjust to us. We have provided that statements of fact, which are made without any attempt to create hatred or contempt, will not bring the newspaper within the provisions of this Bill. It will be necessary, as I understand the law, for the prosecution, if I may use the word, as the matter has to go to the High Court, to prove that the words are untrue and that there was an attempt to create hatred and contempt. That seems to me to meet entirely the case which my Honourable friend had in mind of the innocent statement of facts, facts in themselves so damaging that they would create hatred and contempt. Unless it can be shown that the writer intended to create hatred and contempt, he goes scot-free . . .

Sir Cowasji Jehangir: My Honourable friend will realise that what I meant was that you cannot do one without doing the other.

The Honourable Sir Harry Haig: You can: you most certainly can; you can create hatred and contempt without that being your intention; and that case was the case my Honourable friend had in mind. In that case, the publication goes unharmed. My Honourable friend made an attack also on the administration of many Indian States and suggested that abuses existed in many of them which ought to be exposed. Our position has always been that we do not want by this measure to, and we maintain that we do not, prevent the ventilation of grievances or an unmalicious exposure of disgraceful conditions in a State. That has always been our position. I was sorry that my friend went on to make a suggestion which I had already plainly repudiated at an earlier stage of this debate, namely, that in introducing this Bill, the Government were actuated by some unworthy motive, that in fact they desired,—this is what I understood to be my friend's suggestion,—that they desired to purchase the support of the princes for Federation. Let us be plain . . .

Sir Cowasji Jehangir: What I meant was that Government's mentality had so changed that they became very lenient with the Indian States.

The Honourable Sir Harry Haig: I thought I read into his remarks the suggestion that we were so anxious to please the princes in order to get them to agree to Federation. Sir, there is not one word of truth in that.

Now, Sir, we have heard a good deal on the point whether there is a state of emergency existing which would justify the passing of this particular clause. My friend, Rao Bahadur Patil, started his speech by referring to that point. The Honourable Mr. B. Das, Diwan Bahadur Mudaliar and Sir Cowasji Jehangir have all referred to that. Rao Bahadur Patil went so far as to say that after hearing me he did not understand what the emergency was. I think perhaps it would have been juster to say that after hearing me, after not listening to what I had to say, he did not understand what the emergency was, for, in fact, at the close of the debate on the motion to take this Bill into consideration, I dealt

very specifically with that point. I said we did not claim that there was any emergency comparable to the Civil Disobedience Movement and that our case did not rest on those grounds. I made it clear that had our case rested on those grounds, we would have continued to include this provision in the Ordinance legislation. It was precisely because we realised that the justification for these provisions was not the fact that civil disobedience was in existence, but a different set of circumstances, it was for that reason that we took the provision out of the Ordinance legislation and presented it to the House by a different measure.

Now, Sir, it is difficult to get away from the trail of the Congress. My Honourable friend, Mr. B. Das, who, I am sure, is very anxious to promote the policy, the new policy, of the Congress, and who, I hope, when in due time a new Assembly is elected, will find an opportunity of representing the Congress in this Assembly, seems to think that this provision against malicious and dishonest writing was a provision directed against the Congress. Well, Sir, though I am not generally considered as particularly friendly to the Congress, I do not go so far as to attribute everything evil to Congress inspiration. Writing of this kind may be done by a Congress man or it may be done by a non-Congress man, but I have never suggested that it is part of the policy of the Congress to malign and defame the Indian States. I would suggest that we might leave the Congress out of the discussion.

Now, the justification for this clause rests on conditions that have in fact been in existence for a long time, and were provided against, as I have reminded the House before, from the year 1910 till 1922 when the old Press Act was in existence. My friend, Rao Bahadur Patil, was inclined to question that point, and he drew attention to the fact that the provision in the Press Act of 1910 referred to hatred or contempt directed against a prince or chief, and not his administration. I understood him to draw a distinction and to suggest that it was now for the first time that we were protecting the administration of these States, but *Explanation II* in the Press Act of 1910 makes it quite clear that the words of that Act were intended to include the administration, the administrative acts of the State as well as any personal attacks on the ruler. It said:

"Comments expressing disapproval of the measures of any such native prince or chief or of the administrative or other action of any such native prince or chief . . . without exciting or attempting to excite hatred, contempt or disaffection do not come within the scope of clause (c)".

Therefore, I think it is quite clear that in the provision which we are putting now before the House, we do not go beyond the provisions which were included in the Press Act of 1910 from the year 1910 till the year 1922.

Now, Sir, what are the conditions which, in our judgment, justify these restrictions on the press? They are, as I have already stated, irresponsible and malicious writings, writings not only that do harm to the State, that may give rise to dangerous agitation and a weakening of the authority of the State, but writings which, as several Honourable Members have reminded us, may also give rise to very undesirable reactions in British India, particularly in the matter of communal animosity.

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And I was particularly glad to find that my Honourable friend, Mr Ranga Iyer, himself an experienced journalist, had the courage to say boldly in front of the House that writings of this kind must be stopped. There are bad papers, Sir, and there are good. There are malicious papers, and there are honest papers. We have no desire whatever to penalise the well conducted, honest, good papers, but we do definitely want to control in a manner more effective than the present law allows us the dishonest and the malicious press.

Now, Sir, I was very much interested in the speech of my Honourable friend, the Raja of Kollengode, for, I think he brought out the point that it clearly does not matter what is the nature of the administration, however good it may be, it is still liable to these venomous attacks. Through out this debate, Sir, there has been a general recognition of the fact that whatever criticism may be made on the administration of this State or that, the States of Southern India provide a model of administration. And yet it is in those States that it has been found necessary to take certain action to prevent attacks on the administration from outside. I think that that establishes the point that when you get a malicious paper, it attacks indiscriminately, it does not matter whether the administration is good or is bad, the policy of the paper is to attack and to malign.

Now, Sir, my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, made, what I may call, a root and branch attack on this clause this morning, and he read out with evident satisfaction and at considerable length the opinions of a number of District Magistrates. I could imagine him saying to himself as he read them out "A Daniel is come to judgment!" But my Honourable friend will remember, as well as I do, that the character who ejaculated those words, a little later was sorry that he had made the exclamation, and I think my Honourable friend may perhaps later on feel that he has been a little premature if he has committed himself to the invariable acceptance of the views of District Magistrates. We, Sir, in the Government attach due regard to the views of District Magistrates. Their views are on many subjects varied and independent, but while we attach great importance to them, and particularly, I may say, in matters of which they have some personal knowledge,—while we attach great importance to them, we do not go so far as to surrender our judgment. We prefer to keep our judgment unfettered, and the mere fact that certain District Magistrates may hold particular views does not excuse us from the duty of trying to form our own views for ourselves. And, in this case, after taking these views, which my Honourable friend has read out to the House, into consideration, we had no doubt that they should be rejected.

My Honourable friend, Diwan Bahadur Mudaliar, who always puts his argument in a reasonable way, felt the necessity of establishing the position that if we did not take these powers, we had already sufficient powers in our hands to deal with the situation. He relied on the Princes (Protection) Act of 1922. Well, Sir, one of the disadvantages of conducting these debates at considerable intervals is that the House is apt to forget arguments that have already been advanced, because, I find, on looking

at the previous debates, I did deal at some length with that argument which had been prominent in our debates in February. I put before the House the consideration that that Act of 1922 had in operation admittedly been ineffective, that it had hardly been used, and I tried to examine the reasons why it had proved ineffective. Those reasons were, briefly, that the prosecution gives the widest publicity to the charges, and at the same time does nothing to prevent their repetition, that under our present system of law it unfortunately involves the most terrible delays— we have already had some reference today to a case which has gone on for four years and is still not concluded,—and finally, that it is always possible for the editor or the inspirer of these attacks to put up for the purpose of punishment what is known as a dummy. Therefore, it hardly becomes worth the while of a State to prosecute when it may involve a very large expenditure of money, an enormous period of time, possibly the real culprit not being punished in the end, and all the time nothing done to prevent a repetition of these charges. That, Sir, broadly speaking, is our case for departing from the ordinary judicial procedure.

My Honourable friend, Diwan Bahadur Mudaliar, suggested that, having departed from the normal judicial procedure, we were really acting by executive fiat, and I think that he unduly depreciated the influence and the power of the High Court in these matters under the Press Act. He suggested really that the High Court was hardly in a position to interfere when they did not have the facts before them and that, in giving them an opportunity of reviewing the proceedings of the executive, we were giving them a task which was almost unreal. But I would remind the House that within the last few months various proceedings of Local Governments under the Press Act have been upset by High Courts, and there is no difficulty in a High Court reaching a conclusion as to whether a particular article comes or does not come within the provisions of the Act. It is not a question of leading evidence to say that such and such a writing arouses disaffection or hatred or contempt. The High Court takes the words and puts upon them the interpretation that an ordinary man would put upon them, and if the words would arouse in the mind of an ordinary man feelings of disaffection, hatred or contempt, the High Court comes to that conclusion and otherwise does not. Therefore, I would like the House to feel that the safeguard provided by the reference to the High Court is a very real one.

Another point made by my Honourable friend, Diwan Bahadur Mudaliar, was that no harm would be done by these writings in British India, because the States could exclude them from entering their own territory. I do not know whether my Honourable friend pictured India as consisting of an area known as British India, and then behind something like a Great Wall of China, another area which is known as Indian India. Those are not the conditions that exist in India. We have the territories of the States and of British India intermingled, inhabited by exactly the same people, the boundaries purely arbitrary. Thought leaps over those boundaries very easily and lies penetrate without difficulty.

I would come back to the suggestion that if the House passes this clause, it will not be possible for legitimate grievances to be ventilated. I would remind the House that the British Indian press is at present

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suffering under this very disability in regard to attacks on the Government of India and the Local Governments, but I do not think it can fairly be said that they are unable to ventilate legitimate grievances, and I do not see why the press should be unable to ventilate legitimate grievances in regard to the States. As my Honourable friend, Mr. Ranga Iyer, has reminded us, the administration of the Press Act is not a savage thing. We do not desire to punish the editors of papers. We do desire to prevent certain writings gaining currency, and, in pursuit of that policy, it is a normal practice to give a warning to editors of newspapers, that a particular style of writing is likely to bring them within the provisions of the Press Act. We are trying not to stop the ventilation of genuine grievances, not to stop true statements of fact, but to stop malicious criticism and attempts to bring the administrations of Indian States into hatred and contempt. Surely, Sir, that is not the birthright of the well conducted press of which we are seeking to deprive them. Sir, I oppose the amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That clause 3 of the Bill be omitted and the subsequent clauses be re-numbered accordingly."

The Assembly divided:

AYES -31.

Abdoola Haroon, Seth Haji.

Abdul Matin Chaudhury, Mr.

Abdur Rahim, Sir.

Azhar Ali, Mr. Muhammad.

Bhuput Sing, Mr.

Das, Mr. B.

Dutt, Mr. Amar Nath.

Hari Raj Swarup, Lala.

Jadhav, Mr. B. V.

Jehangir, Sir Cowasji.

Jog, Mr. S. G.

Joshi, Mr. N. M.

Lalchand Navalrai, Mr.

Liladhar Chaudhury, Seth.

Mitra, Mr. S. C.

Mody, Mr. H. P.

Mudaliar, Diwan Bahadur A. Ramaswami.

Murtuza Saheb Bahadur, Maulvi Sayyid.

Neogy, Mr. K. C.

Pandya, Mr. Vidya Sagar.

Parma Nand, Bhai.

Patil, Rao Bahadur B. L.

Reddi, Mr. P. G.

Reddi, Mr. T. N. Ramakrishna.

Sen, Mr. S. C.

Shafee Dacodi, Maulvi Muhammad.

Singh, Mr. Gaya Prasad

Sitaramaraju, Mr. B.

Thampan, Mr. K. P.

Uppi Saheb Bahadur, Mr.

Ziauddin Ahmad, Dr.

NOES—60.

Abdul Aziz. Khan Bahadur Mian.
 Ahmad Nawaz Khan, Major Nawab.
 Allah Baksh Khan Tiwana, Khan Bahadur Malik.
 Anklesaria, Mr. N. N.
 Anwar-ul-Azim, Mr. Muhammad.
 Bagla, Lala Rameshwar Prasad.
 Phore, The Honourable Sir Joseph.
 Brij Kishore, Rai Bahadur Lala
 Cox, Mr. A. R.
 Dalal, Dr. R. D.
 Darwin, Mr. J. H.
 DeSouza, Dr. F. X.
 Dillon, Mr. W.
 Dumasia, Mr. N. M.
 Fazal Haq Piracha, Khan Sahib Shaikh.
 Ghuznavi, Mr. A. H.
 Glancy, Mr. B. J.
 Graham, Sir Lancelot.
 Grantham, Mr. S. G.
 Haig, The Honourable Sir Harry
 Hardy, Mr. G. S.
 Hezlett, Mr. J.
 Hudson, Sir Leslie.
 Irwin, Mr. C. I.
 Ismail Ali Khan, Kunwar Hajeer.
 James, Mr. F. E.
 Jawahar Singh, Sardar Bahadur Sardar Sir.
 Krishnarajachariar, Raja Bahadur G.
 Lindsey, Sir Percy
 Macmillan, Mr. A. M.

Mitter, The Honourable Sir Brojeri Ira
 Morgan, Mr. G.
 Muazzam Sahib Bahadur, Mr. Muhammad.
 Mujumdar, Sardar G. N.
 Mukharji, Mr. D. N.
 Mukherjee, Rai Bahadur S. C.
 Nihal Singh, Sardar.
 Noyce, The Honourable Sir Frank.
 Pandit, Rao Bahadur S. R.
 Rajah, Raja Sir Vasudeva.
 Rajah, Rao Bahadur M. C.
 Ramakrishna, Mr. V.
 Ranga Iyer, Mr. C. S.
 Rastogi, Mr. Badri Lal.
 Ran, Mr. P. R.
 Sarda, Diwan Bahadur Harbilas.
 Sarma, Mr. G. K. S.
 Sarma, Mr. R. S.
 Schuster, The Honourable Sir George.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan Gakhar, Captain.
 Singh, Kumar Gupteshwar Prasad.
 Singh, Mr. Pradyumna Prashad.
 Sivaswami, Mr. S. V.
 Suhrawardy, Sir Abdulla-al-Mannūn.
 Talib Mehdi Khan, Nawab Major Malik.
 Tottenham, Mr. G. R. F.
 Varma, Mr. S. P.
 Wilayatullah, Khan Bahadur H. M.
 Yamin Khan, Mr. Muhammad.

The motion was negatived.

Mr. Lalchand Navalrai: Sir, I beg to move:

"That in sub-clause (a) (i) of clause 3 of the Bill, the words 'or to excite disaffection towards' be omitted."

Sir, the elimination of the whole clause has been defeated, but I am not discouraged at all, because I find that my amendment which pertains to the change of only one word is a very reasonable one, and I hope the Honourable the Home Member will find it very easy to accept this amendment of mine. Sir, it is only the elimination of only one word that is sought to be made by me, namely, "disaffection", but I will explain what I mean by that and what my amendment aims at. Sir, as we find in the Bill, clause 3 says:

"The Indian Press (Emergency Powers) Act, 1931, as amended by the Criminal Law Amendment Act, 1932, shall be interpreted—

(a) as if in sub-section (1) of section 4 of the Act, after clause (i) the following word and clause were inserted, namely;—

'or (i) to bring into hatred or contempt or to excite disaffection towards the Administration established in any State in India'."

Now, what this clause attempts to enact is that if any newspaper were to write or to express anything which brings into hatred or contempt any Administration of that State, it will be made liable, but another word has been added to it, which says, not only if it were to express anything which brings into hatred or contempt such Administration of a State, but even if it were to excite disaffection towards such Administration of a State, it will be made liable. Sir, I take exception to the words "to excite disaffection", and I want that the word "disaffection" should be eliminated. Now, in

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the arguments that have been advanced with regard to the protection of the States, much has been said on both sides, but I think it cannot possibly be denied that many of the States, with the exception, I would say, of a few saner States, are such States wherein there prevails absolute mismanagement and misgovernment, and the question arises whether, where the subjects of Indian States of that nature are not loyal to them, is it right and proper that we should be asked or the Press should be asked to remain loyal to them? They have not put their own house in order, and now the Government of India want to force the press in British India to be loyal to those States. Now, I want that the word "disaffection" should be removed, and the reason is this. What is the meaning of the word "disaffection"?

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair, which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

Mr. Muhammad Yamin Khan: May I ask on which amendment my friend is talking?

Mr. Lalchand Navalrai: I am talking on the amendment that I moved—No. 13.

Mr. Muhammad Yamin Khan: No. 13 is in the name of Sardar Sant Singh. My friend was all the time saying that he wants to remove only one word "disaffection", but here, in amendment No. 13, so many words are proposed to be deleted—"or to excite disaffection towards".

Mr. S. C. Mitra: When Mr. Lalchand Navalrai moved the amendment, where were you?

Mr. Lalchand Navalrai: I know that my friend Mr. Yamin Khan will come forward to oppose me on this too.

Mr. Muhammad Yamin Khan: You are wrong.

Mr. Lalchand Navalrai: Then I will be thankful to you. Sir, the word "disaffection" means the negation of love, or hatred. That means want of affection, in other words, want of love or regard. How is it that the British Government is coming forward to force the Press in British India to cherish love and regard for these States which are acknowledged on all hands to be grossly mismanaged and misgoverned? I, therefore, submit that the word "disaffection" should be removed. The word "disaffection" is so wide that anything can be twisted to cause "disaffection". If anything is said, they will say, "well, it means no loyalty to the Indian States". Anything can be moulded and then the Press shall have to be gagged. Therefore, the words "hatred and contempt" being there, if any expressions are used which would be inimical in the interests of the State, there will be no difficulty, but if there is no good word for them, it will be said that that is disaffection, because no love has been shown. In that way, anything can be twisted and turned. Therefore, I submit that the words "to excite disaffection" should be removed. If we are to put a strict construction as I find from the commentary of the Indian Penal Code, then the word "disaffection" also means contempt or hatred. That being the case, I ask, where is the necessity of the word "disaffection"? Therefore, there are two things. One is that if the Government want that the Press should show love and regard for the Indian States, then they are absolutely wrong, and, as the word "disaffection" can be included in the words "hatred and contempt", why should you put the word "disaffection" upon which any construction can be put. That is one of my reasons for removing it. The second reason is

this. It might be said that in section 124A of the Indian Penal Code, the same words do occur. Now, that section reads thus:

"Whoever by words, either spoken or written, or by signs or by visible representation or otherwise, brings or attempts to bring into hatred or contempt or excites or attempts to excite disaffection towards Her Majesty or the Government established by law in British India. . . ."

and then it is punishable under the Indian Penal Code. May I ask, therefore, if there is not any difference between the love for the Government of India and for the Indian States? Is the same love and respect to be shown to these princes of Indian States? Certainly not. Therefore this analogy will not apply.

An Honourable Member: Since when have you become in love with the Government of India?

Mr. Lalchand Navalrai: So long as they are reasonable and right, I am in love with them. What I mean to say is this, do not give to the Indian States any powers which will make them bad boys. Many of them are already bad boys, and you are forcing the Press not to ventilate even the real grievances of the people. The administrations of some of the States are already in contempt, and they will be more and more merged into contempt if this Bill is passed. I, therefore, submit that on that ground also it would not be necessary at all to make this enactment, and the word disaffection should be removed.

Now, Sir, in support of my view that so much favour should not be shown to the States, I would say that this is not only my opinion or the opinion of some of the Honourable Members here but even the district officers or the District Magistrates, who are in charge of the administration of British India, are of opinion that by this Bill we are giving something which is too extensive and too elastic, so much so that even they are of opinion that this enactment should not be made. Now, Sir, I will only read one portion of a report which I find on page 26 of Paper No. 15. That is the opinion of a District Magistrate. He says:

"It is unquestionable, I think, that the subjects of Indian States neither enjoy the same elementary rights of citizenship, nor the same standard of efficient administration as the subjects of British India. That being the case, the Bill, as it stands is too rigorous. Section of the Bill, sub-section (A) makes it exceedingly difficult for persons residing in British India to indulge in true criticism of the patent defects of any Indian State administration, without running very serious risks. The words 'hatred', 'contempt' and 'disaffection' are difficult of definition, and there is a danger that courts may take a strict view, even where the criticism is well founded, and made in good faith, in public interests."

What more substantial support to the arguments that I have raised before the House is needed? The District Magistrate, who is actually

4 P.M. dealing with these cases, is of opinion that you are doing something which these princes do not deserve, because they do not deal with their subjects in the manner in which they ought to. If you are going to make such an elastic law for the princes, then what is left to the subjects of these Indian States? If they were to do anything then the *firman* is issued, and, as my Honourable friend, the Raja Bahadur, said, their word is law. So, if a *firman* is issued, even the Political Secretary would not like to interfere with it. If the British Indian press were to criticise them and to show that the princes were mismanaging their States or at any rate were not acting in a constitutional manner, then it can be turned against them. After all, it is left to the interpretation of the Magistrate. Therefore, I submit that it would be very hard and very unreasonable if a Bill like this is

[Mr. Lalchand Navalrai.]

passed in which such an elastic word as "disaffection" occurs. For these reasons and with these words, I move my amendment.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That in sub-clause (a) (j) of clause 3 of the Bill, the words 'or to excite disaffection towards' be omitted."

Mr. S. C. Mitra: Sir, I have great sympathy with the amendment that has been moved by my friend, Mr. Lalchand Navalrai. I think it lies heavily with Government to show why should we copy out, word for word, from the sedition section of the Indian Penal Code for this Bill. We certainly owe allegiance to the King-Emperor, and what is necessary for India and its administration should not be demanded for these Indian States. If the Government by their recent policy of having their own officers in some of the Indian States, as it happened in the case of Alwar, demand similar privileges as the Indian administration expects loyalty from their own subjects, then they should make it clear that they are bent upon having a different policy, and that is that the Indian States also should be administered by Indian Civilians largely and that some of the States will be taken charge of to be ruled by the British officers and that they want to bring the administration in Indian States on the same lines as they have in British India. If that is their view point, I shall support them in this Bill. Otherwise, it is anomalous to expect of British Indian subjects the same loyalty to their sovereign, the King-Emperor and also loyalty to the rulers of the Indian States. I do not like to go into details as to why they cannot claim the same loyalty and affection as the King-Emperor may claim from British Indian subjects. Without conferring any benefit on British Indian subjects, I resent the rulers of Indian States claiming the same loyalty and also claiming the right to be free from any criticism of their administration as my Honourable friend, Mr. Navalrai, put it. Some of the Judges defined the word "disaffection" as want of affection. I resent that the Indian State rulers should claim the same love and affection from British Indian subjects. The position of these Indian State rulers cannot be compared with the King-Emperor and the British Indian administration. We are not agreeable to permit the Indian State rulers to share in the sovereignty of British India. I hope the Honourable the Home Member will make it clear that this is not demanded of us. I do not understand why, word for word, the provisions of the sedition section have been incorporated and why those provisions are considered sacrosanct and must be kept here. My Honourable friend, Mr. Navalrai, in his learned way, proved by citing from judicial decisions that this word is unnecessary. If so, at least to prove to us that the same amount of loyalty is not demanded of us from the Indian State rulers, the Government should agree to delete these words. I support the amendment on these grounds.

Mr. Muhammad Yamin Khan: I think, Sir, we might hear the Government reply first, because this point is not clear in our minds. If we hear the Government reply, we will know what is meant by this provision.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Chair cannot compel the Government Member to speak now. It is left to his convenience.

The Honourable Sir Harry Haig: If it would be any convenience to the House, I will speak now, but I hope no new points will be raised after I have spoken, because I shall not be able to deal with them.

Mr. Gaya Prasad Singh: It does not mean that your speech closes the debate now. You will have the right of reply after other Members have spoken.

The Honourable Sir Harry Haig: The Honourable Member, I understand, has a particular objection to the word "disaffection" though he does not mind the use of the terms "hatred or contempt". In the first place, I should like to remove what I think is a misapprehension in the mind of my Honourable friend, Mr. Mitra, possibly shared by my Honourable friend, Mr. Yamin Khan, that the disaffection which we try to prevent is a disaffection in the minds of British Indian subjects. Disaffection, as I understand it, can only relate to people who owe a duty of allegiance to States, in other words, the Indian State subjects. The word "disaffection" relates solely to the State subjects and it is the creation of feelings in the States subjects against their own lawful Governments that we want to prevent. As the Honourable the Law Member reminds me, it involves disloyalty and that can only be a feeling or a relation that exists between the States subjects and the State. It has no application whatever to British India. In regard to the ingredient of disaffection generally, I must explain that it is always one of the essential ingredients of the offence of sedition. It is always considered that sedition includes the three ingredients of hatred, contempt and disaffection, and we are not disposed to omit one of the ingredients while retaining the other two. I would remind the House that the object of sedition is to disturb the tranquillity of the State. That is a serious matter for the State, and as I think I have argued before, it is a serious matter for India as a whole, if the tranquillity of a State, if the allegiance of the subjects of a State to that State is disturbed, and it is to prevent such conditions arising that this provision has been inserted. I think my Honourable friend was labouring under a misapprehension when he said that if we try to prevent disaffection, it meant that we were inculcating a definite obligation of affection. I do not think that follows any more than when he said that not to show hatred meant to show love. I do not think that is a reasonable interpretation of the word "disaffection" which really means disloyalty and we want to prevent writings in British India which are intended to produce disloyalty and thereby disturb the tranquillity of a State. On that ground, I must oppose the amendment.

Mr. Muhammad Yamin Khan: I am very glad that this explanation by the Honourable the Home Member has clarified a great deal the misapprehension which was entertained by myself and several other speakers who have spoken. I understood that the words "hatred or contempt" also relate to the offence, namely, hatred or contempt created in the minds of people residing in British India, because the Press indulges in this respect. What I want to say is this, that if it is not the intention of the Government, it is all right. But what I want is that this should also include hatred and contempt towards the administration being created in the minds of British Indians, because, by doing so, the Press excites the people to commit the other offence which is given in the Bill. Unless and until contempt or hatred is created towards the administration in the minds of British Indians, there will be no *jathas* proceeding to the Indian States. I want this also should be penal that if the Press indulges in this that it tries to create any of these two things in the minds of British Indian subjects, that is hatred or contempt towards the administration, it leads to serious consequences as we have seen in the past. I do

[Mr. Muhammad Yamin Khan.]

not want that the rulers of the administrations of Indian States should be made targets of the Press simply in order to create communal feelings. These grounds were covered lately, and I need not traverse the same. From the explanation of the Home Member, I gather, this refers to the States subjects only. But as the clause reads, we cannot separate one from the other unless we add a separate clause that "hatred or contempt or excite disaffection" means disaffection towards the administration in any Indian State. This refers to the three ingredients of hatred, contempt and disaffection in the minds of the people. We cannot say that hatred and contempt includes all persons while disaffection only refers to the people who are residing in British India. This clause, as it reads, does not convey this idea, and no judge can draw that meaning from this. On a previous occasion, I wanted to know whether it referred to disaffection in the minds of the States people or of the people residing in British India. But, now, I have no quarrel with this and I wholeheartedly support this, if it is disloyalty created in the minds of the States subjects. I find that the other two ingredients will refer to the same class of people, but I would have liked to include British Indians also. My Honourable friend, Mr. Lalchand Navalrai, also has no quarrel with this if contempt and hatred may be made to apply to the people of British India, and I have no quarrel with that too, and I support him, though on different grounds. I have no quarrel with these words about exciting disaffection in the mind of States people towards the administration, and the explanation has satisfied me. I do not support the amendment now.

Sirdar Harbans Singh (East Punjab: Sikh): Sir, one point has been cleared, because my Honourable friend, Mr. Lalchand Navalrai, thought that disaffection referred to British Indians and the princes, but the Home Member has made it clear that it means disaffection between the subject and the prince. For the matter of that, I personally do not feel why we Indians cannot have affection for the princes who are our own kith and kin and our brethren and who are, after all, Indians. When we can have affection for an alien and foreign bureaucracy, there is no reason why we should not feel the same affection for those who form our own flesh and blood. But this disaffection is created by certain systems prevailing in Indian States at present, and unless we could remove some of those and see that some of those were mended, it would be very difficult even by repressive measures to avoid the creation of disaffection.

Another anomaly appears to me to be that by this Act disaffection created against the administration of the State will be punished, that when the administrative acts of the ministers or officials of the State are criticised, the people will be punished for doing so. But the disaffection against the person of the prince, which will be created by personal attacks on his life and on his personal actions, apart from his administrative actions, which will go to the very root of the relations between the subjects and the princes existing in a monarchical system of Government, will be allowed to go on as before. Why cannot the Government, if they really want a peaceful and happy state of affairs to prevail between the masters and the subjects in an Indian State, bring about that state of affairs where attacks on the person of the prince will be as much punishable as those against the ministers who will be his officials administering

in his name? I feel that this measure is necessary in places like Kashmir and Alwar where ministers or administrators from outside had to be sent in to check the anarchy and disruption within the borders of those States. And if things are allowed to continue when the administrative acts are allowed to be criticised, in the same manner, the very purpose of the Paramount Power, having interfered in the administration of those States, will have been gone without any useful purpose being served. Certainly it is necessary that the administrative acts of officers in such difficult times should receive a measure of protection which may be necessary according to the circumstances of each case. But occasions may arise when the actions taken by the ministers and the officials may be free from criticism due to the penal effects of this legislation, but the person of the prince may be vilified and may be attacked in his personal and private life in such a manner that a much graver harm and a much worse feeling may be created between his subjects and himself thereby endangering the very continuity of the House which rules and the State itself.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

I would, therefore, think that if that anomaly could be avoided and if things could be brought round in such a manner that the ministers will not be more or better protected than the princes themselves, only then the purpose of the princes could be served. I do not know, nor have I any authority to say whether they wanted this Bill or not, but certainly the Bill has received the approbation and approval of many, if not all, of the princes. I would, therefore, urge on the Political Secretary and the Home Member that the anomaly which I have stated will go to the very root of the things existing in the States and that it will be nothing but most desirable that if the purpose of this Bill, namely, the stopping of disaffection and bringing into hatred or contempt the administration or the rulers of the State, is to be served, the rulers should receive, if not more, at least the same measure of protection as their ministers and officials will receive under this measure. I do not consider, Sir, that on this amendment I should say anything more.

The Honourable Sir Brojendra Mitter: Sir, it has often been repeated that disaffection means want of affection. All I can say is that I should be sorry to hear it from a lawyer: it is cheap journalism, and, therefore, I was pained to hear that meaning attached to the word "disaffection" by experienced lawyers here. Disaffection means disloyalty. Disaffection is a feeling and not the want of a feeling. It is not the absence of affection. I am quoting the language of a very eminent Judge. I shall quote the language of another eminent Judge, Mr. Justice Ranade, who says:

"It is a positive political distemper, and not the mere absence or negation of love or good-will. It is a positive feeling of aversion which is akin to disloyalty, a defiant insubordination of authority, or when it is not defiant, it secretly seeks to alienate the people, and weaken the bond of allegiance, and prepossesses the minds of the people, with avowed or secret animosity to Government."

Then, another learned Judge says this:

"It signifies political alienation or discontent, that is to say, a feeling of disloyalty to the government or existing power, which tends to a disposition not to obey but to resist and attempt to subvert that Government or power. It cannot be construed to mean an absence of or the contrary of affection or love."

Mr. S. C. Mitra: What about Justice Strachey's interpretation in the Tilak case?

Mr. Lalchand Navalrai: That will be said to be a difference of opinion between Judges.

The Honourable Sir Brojendra Mitter: Is it not a difference of opinion. Some Judges have, according to the circumstances of the case, expressed themselves briefly and some have enlarged upon the meaning. That is all. Very likely, in the course of the argument before a learned Judge, the cheap journalistic meaning that disaffection means lack of affection was adduced, and that Judge thought it necessary to state the meaning at length. There is no difference between the Judges. So far as Mr. Justice Strachey's definition is concerned, he says (I am quoting a passage from the Tilak case from a text book and not from the report, but I take it it is correct):

"It means hatred, enmity, dislike, hostility, contempt and every form of ill-will to the Government. Disloyalty is perhaps the best general term, comprehending every possible form of bad feeling to the government."

Looking into the matter a little more closely, you will find that the whole basis of the conception of disaffection is disturbance of tranquillity. As Russell puts it:

"Sedition consists in acts, words or writings intended or calculated, under the circumstances of the time, to disturb the tranquillity of the State by creating ill-will, discontent, disaffection, hatred, or contempt towards the person of the King or towards the constitution or Parliament, or the government or the established institutions of the country."

The basis of disaffection is disturbance of tranquillity by creating a positive feeling of disloyalty amongst the subjects. Therefore, it involves the conception of the relation between the ruler and the ruled. When my Honourable colleague, the Home Member, said that the word "disaffection" in that section could have reference only to the feeling in the minds of the States subjects and not feeling in the minds of British Indian subjects, he was supported by authority, because the conception of allegiance is involved in the word "disaffection" or "disloyalty". I cannot be disloyal to a man to whom I do not owe allegiance. A British Indian subject, who does not owe allegiance to an Indian prince, cannot be disloyal to him. Therefore, when we use the word "disaffection" or the word "disloyalty", it must mean the feeling in the mind of the subject *vis-a-vis* his own ruler.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): What about hatred and contempt?

The Honourable Sir Brojendra Mitter: I am coming to that . . .

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Why not say it definitely?

The Honourable Sir Brojendra Mitter: It is not necessary. This section has been construed so often—I mean the corresponding section in the Indian Penal Code has been construed so often that every lawyer knows what the meaning is: there cannot be any doubt in the mind of anybody. I think it was Disraeli who once said contemptuously that "a lawyer is a person who explains the obvious and expatiates on the commonplace". I do not want that description to be applied to the Legislative Assembly. With regard to Sir Abdur Rahim's interruption, I will draw his attention

to what has been said about the words hatred, contempt or disaffection. The first point I make is this: that in the sequence and in the collocation of these terms in the same section, we are thinking of the feeling present in the minds of the States subjects and not feelings present in the minds of British Indian subjects. As regards the distinction between them, it has been said:

"The word disaffection goes very much towards expressing the same as hatred or dislike; it may cover something perhaps a little different from the expression hatred because it includes disloyalty. To urge people to rise against the Government is tantamount to trying to excite feelings of disloyalty in their minds."

If you urge people to rise against the Government, you need not excite hatred or contempt; merely for the purpose of upsetting the Government you may urge people to be disloyal. That would be disaffection and would not be covered by hatred or contempt; and that is why it is necessary to use all the three expressions, hatred, contempt and disaffection.

Mr. Gaya Prasad Singh: Sir, I am thankful to the Honourable the Home Member and the Honourable the Law Member for the explanations which they have given to this clause, but still I find that there is some difficulty remaining. If I understand the Honourable the Law Member rightly, he means to say that all the three expressions, hatred, contempt or disaffection relate to the state of feelings existing in the minds of the States subjects. If that is so, I can give an example in which it may be possible for an offending journal not to create any sort of such feeling in the minds of the States subjects. Suppose, for instance, a newspaper in British India indulges in an article which is of a very objectionable character against a State. That State has banned the entry of that newspaper within its own territories. What will happen? Will that newspaper be guilty of any offence under this clause or not, because it is not allowed to reach the hands of the States subjects at all? It has been effectively banned from entering into that territory or it has no circulation there, and, therefore, no feeling of hatred or contempt or disaffection could conceivably be caused in the minds of the States subjects. I want to know definitely whether, under these circumstances, the editor of that paper would be liable to punishment or not. That is a point on which I should like to have an explanation.

With regard to the explanation of the word disaffection, this particular word, as Honourable Members know, occurs in the sedition section of the Indian Penal Code, section 124A, and *Explanation 1* says:

"The expression 'disaffection' includes disloyalty and all feelings to enmity."

Now, section 124A has been incorporated in the Indian Penal Code at a later date. The former section was as follows:

"Whoever, by words, either spoken or written, or by signs, or by visible representation, or otherwise, brings or attempts to bring into hatred or contempt, or excites or attempts to excite disaffection towards, Her Majesty or the Government established by law in British India, shall be punished with transportation for life or any shorter term, to which fine may be added, or with imprisonment, which may extend to three years, to which fine may be added or with fine."

This was the old section, but it has been amended in the form in which we find it today. Now, the *Explanation* also to the former section reads as follows:

"Such disapprobation of the measures of the Government as is compatible with a disposition to render and support the authority of the Government against unlawful attempts to subvert or resist that authority is not disaffection."

[Mr. Gaya Prasad Singh,]

Therefore, Sir, the making of comments on the measures of Government with the intention of exciting only disapprobation is not an offence under this clause.

Now, Sir, reference has been made to the well-known case of Queen Empress *versus* Bal Gangadhar Tilak. There is a very excellent commentary, a standard book on the Indian Penal Code, and I should like to take the liberty of reading one or two pertinent sentences from it

An Honourable Member: Who is the author of it?

Mr. Gaya Prasad Singh: The author of this book is an ex-colleague of ours, Dr. Nand Lal, who is a well-known jurist. I am going to refer to the interpretation of the law as given by Justice Strachey. Mr. Justice Strachey in his direction to the Jury in Queen Empress *versus* Tilak, in explaining section 124A, in reference to the charges in that case before the Jury said:

"I agree with Justice Sir Comar Petharam in the *Bangabasi* case that disaffection means simply the absence of affection."

The Honourable Sir Brojendra Mitter: That is not Chief Justice Petharam's interpretation. In interpreting the section, he was quoting all that had been said before.

Sir Abdur Rahim: Chief Justice Petharam did say that.

Mr. Gaya Prasad Singh: Anyway, Sir, I find that Justice Strachey in that case agrees with Justice Petharam that disaffection means simply the absence of affection. I am quoting this from a standard book.

Now, what did Chief Justice Sir Lawrence Jenkins say in the case of Queen Empress *versus* Luxman? After reading the main provisions of the section, Chief Justice Sir Lawrence Jenkins went on to say:

"These, gentlemen, are the main provisions of the section, and you will see, therefore, that the section is directed against those practices which are calculated to call into existence certain hostile feelings towards the Government as established by law. They are 'hatred', 'contempt', and 'disaffection'. That is to say, it is directed against those acts which may result in, or aim at, bringing the Government into hatred or contempt exciting disaffection against the Government. Now, the words 'hatred' and 'contempt' require no explanation: their meaning must be plain to you all. But there still remains the word 'disaffection', which in the past has been the subject of much discussion and controversy; happily, however, you sitting here are free from the necessity of entering on this field of controversy, because the first explanation to the section indicates clearly to you what is meant by 'disaffection' ",
and so on.

The commentary proceeds:

" 'disaffection' is a feeling, and not a want of feeling, it is not the absence of affection. . . . "

(Laughter.)

It is a controversial point, and there have been differences of opinion on that point. My point of contention is that there is much room for difference of opinion in a matter like this. It must be settled once for all. In the case of Queen *versus* Ramchandra Narain, it was

held that the word "disaffection" was taken in its special sense as signifying political alienation or discontent, that is to say, feeling of disloyalty to the Government or existing power. I do not want to quote from this book any more, but I would commend it to every Honourable Member of this House who may have to deal with the subject. But as I was saying before, I should like to know whether the editor of a paper would be guilty or not when the offending newspaper is not allowed to enter the territories of a State, and the States subjects have no opportunity of reading the comments in that paper which might excite hatred, contempt or disaffection towards the administration.

Now, the word "administration" has not also been defined. I am quite at one with the Government when they aim at preventing blackmail against Indian States and against the rulers of the Indian States. There is little doubt that some newspapers indulge in that sort of profitable pastime by levying blackmail upon Indian States, and this House would be perfectly justified in putting down such attempts at blackmail, but reasonable and *bona fide* comments on the administration of a State must be immune from punishment. The clause, as it stands, does not prevent the levying of blackmail by newspapers or by their editors if they are so inclined. It only puts a ban upon those honest journals who, with *bona fide* intention, might attempt to draw pointed attention of the administration of a State to certain evils existing in that State. If this clause is enacted into law, it will be a hardship upon honest journalism, and it will provide no remedy against persons levying blackmail. Now, these persons who want to levy blackmail do not comment upon the administration of a State; they comment upon the personality of a ruler or member of his family in their individual, personal and private capacity. That is the sort of evil against which there does not appear to be any provision in this Bill. Sir, in the speech I made on the last occasion, I made it clear that I was entirely at one with the object of the Government in trying to stop the levying of blackmail. But suppose this clause is enacted into law, and if the editor of a newspaper indulges in certain personal reflections, not upon the administration of a State, but upon the character of the ruler of the State, or a member of his family, how can he be held liable under this clause? Therefore, I feel that if this clause is enacted in its present form, it will land us in difficulties owing to various interpretations. I feel, Sir, that either a clear enunciation of the objects of this clause may be given by the Law Member or a more suitable amendment should be substituted in place of the one which exists at present, which will prevent blackmail, but not prevent *bona fide* comments with the honest intention of improving the administration of a State.

An Honourable Member: Why don't you suggest one?

Mr. Gaya Prasad Singh: As has been stated by a previous speaker, *Explanation 5* runs as follows:

"Statements of fact made without malicious intention. . . ."

The Honourable Sir Harry Haig: On a point of order, Sir. Will the Honourable Member be in order in discussing *Explanation 5*?

Mr. Gaya Prasad Singh: I was not referring to it in detail, I was merely going to say that this clause 3, of which *Explanation 5* is a part, if it is enacted into law in the present form, will not serve the purpose which the Government have in view.

Mr. President (The Honourable Sir Shanmukham Chetty): But we are discussing the amendment of Mr. Lalchand Navalrai.

Mr. Gaya Prasad Singh: My Honourable friend, Mr. Lalchand Navalrai, wants to omit the words "or to excite disaffection towards". I have just explained from the book from which I was quoting that this word "disaffection" is not free from doubt and difficulty. My Honourable friend, Sirdar Harbans Singh Brar, asked a question as to why we should not entertain a feeling of affection towards our own Indian rulers of States, and why we should entertain feelings of affection towards a foreign Government. That is not the point. Here affection and disaffection have political and constitutional connotations. It is not a question of mere personal or social relationship existing between two individuals. These words "affection" or "disaffection" must be construed in the sense in which they occur in the Indian Penal Code. I have, therefore, some doubt in accepting this clause if the word "disaffection" is retained in it.

Sir Abdur Rahim: The question raised by this amendment is really one of drafting, and I do think that there are difficulties that might easily be cleared up, and I do not see any reason why by inserting words like "in the minds of the subjects of the States", any doubt there might be should not be cleared. My Honourable friend, the Law Member, says that the word "disaffection" has undergone interpretation by many learned Judges, and, therefore, it has acquired a certain meaning in law. Even there, I do remember certainly one case, the *Bangabasi* case, which was decided by Chief Justice Petharam, before my Honourable friend, the Law Member, joined the profession, in which he did define or at least gave the dictionary meaning of "disaffection" as absence of affection and did not go any further. I vividly remember the comments that were made at the bar on the definition that he gave. But later decisions have tried to narrow that definition.

The Honourable Sir Brojendra Mitter: May I remind Sir Abdur Rahim that that decision was given in the year 1891, and all the decisions which I quoted were subsequent to 1891?

Sir Abdur Rahim: That is why I said that my Honourable friend had not joined the bar at the time. But even supposing it could be said that the word "disaffection" has acquired in law a particular meaning, that argument cannot certainly be applied to the words "hatred or contempt". Supposing a newspaper in British India, where the whole of this Bill is to operate, including clause 3, says in so many words that the administration of such and such a State is contemptible owing to particular reasons and particular incidents that have been happening there, and supposing that newspaper does not find circulation in that State,—it is read by men living in British India alone,—and supposing that the newspaper goes on indulging in writings of that sort and does create a feeling of hatred and contempt towards that administration, it may not be shared by any one in the State at all—it is just possible. The Magistrate may not be quite

familiar as to what has been the effect of such writings on the administration of that State, but supposing he does take action, then what answer can there be upon the language of the clause as it stands? You cannot say that hatred and contempt implies hatred and contempt among the subjects of that administration. I do not think that any Court would be bound to interpret it in that way. Because, as my Honourable friend suggests, the word "disaffection" is also there, it does not follow that the words "hatred and contempt" would also be interpreted in a similar sense. I do think there is a difficulty and doubt there, and I do not see why it could not easily be cleared up by inserting a few words, and I do suggest to the Government that it should be done.

The Honourable Sir Harry Haig: The only point I need deal with is the point which has been raised since I spoke before—the case put by my Honourable friend, Mr. Gaya Prasad Singh, and repeated by my Honourable friend, Sir Abdur Rahim, of an article which clearly rouses feelings of disaffection, but the newspaper in which it is published has been prohibited from entering the State. In the first place, it would be very difficult for any State administration, however effective, to be perfectly certain that no copy of a prohibited paper entered the State, and it would certainly be impossible for any State to ensure that no State subject went outside the State and read it. Therefore, I do not think it is really a conceivable case for a publication, which in itself would arouse feelings of hatred and contempt among States subjects, to be entirely isolated from the possibility of any State subject ever reading it. In the second place, I would say that the provision is not that a particular writing should have actually caused hatred, contempt or disaffection, but that it should tend towards that.

Mr. Gaya Prasad Singh: Still wider!

The Honourable Sir Harry Haig: Still wider as my Honourable friend says, and, therefore, I think with that wording the difficulty that my Honourable friend anticipates will not arise.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in sub-clause (a) (i) of clause 3 of the Bill, the words 'or to excite disaffection towards' be omitted."

The motion was negatived.

Mr. Lalchand Navalrai: Sir, I beg to move:

"That in sub-clause (a) (i) of clause 3 of the Bill, after the word 'established' the words 'by law' be inserted."

The clause says, "to bring into hatred or contempt or to excite disaffection towards the Administration established in any State in India". Established by whom is the question, and I say that the words "by law" should be introduced there. Otherwise, it has no meaning at all. If one were to say that there is an administration in a State which is not constitutional or established by law, how are the British Government coming forward to protect such a State? Without the words "established by law" it would mean that the administration has no authority to guide it and no authority to act on or to place a check on it and it is such an administration that the British Government want to protect and to help. My friend, Mr. S. C. Mitra, speaking on the previous amendment said that the Government were going so far as to enact a Bill the provisions of which were

[Mr. Lalchand Navalrai.]

exactly like the provisions contained in section 124-A, but my friend did not read that section. If my friend had read that section, he would have seen that it contained wider words which I now want to be incorporated in this amendment. Section 124-A reads thus:

"Whoever, by words, either spoken or written, or by signs or by visible representations or otherwise, brings or attempts to bring into hatred or contempt or excites or attempts to excite disaffection towards Her Majesty or His Majesty or the Government established by law in British India",

and so on.

Supposing it had been said "by the Government established in India", it would have no sense. It must be Government in India based on some constitution, on some authority and by some law. The Government of India are thus going to be more loyal to the Indian State than they are to themselves. Their own law says that their administration is subject to a particular law, and unless and until the Government are carried on by that law, it would not be worth living. Therefore, if the Government in the Indian States is carried on only by means of *firman*s or by mere verbal orders, then it is hazardous on the part of the Government of India to get such an enactment made. I am not used to telling stories in the House, but I will give one instance to show how these *firman*s are made and how the law is created in some States. There is a State in Sind where there was no law. What was being done there was this. There is a fort in which there is a prison. If any person used to come to the then ruler with a complaint, it might be even of assault or abuse, then the ruler used to say "Take him to Kol Diji", that is, take him to the prison, and, thereupon the man was incarcerated. There the man used to be kept without any limit of time.

An Honourable Member: Which century you are talking of?

Mr. Lalchand Navalrai: I could give you the name of the ruler, but it is no use. This happened about 30 years ago, at any rate, in my own lifetime. The man imprisoned did not know when he was going to be released.

An Honourable Member: Is it like detenus?

Mr. Lalchand Navalrai: Well, you may apply the simile if you like. After a long time, the ruler used to go to the fort to see the prison. Then only the imprisoned men could come up and say that they had been in jail for such and such a number of years for such and such an offence. Then the ruler gave orders that some men (who were fortunate) should be set free. In this way, there was no law there. Subsequently, there is law there now to some extent. Therefore, my point is that unless you add the words "Government established by law", you should not give protection to those States the administration of which is carried on by *firman*s. Therefore, I am submitting that we must make the law exactly like the sedition law that is enforced in British India, and no more. With these words, I move my amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That in sub-clause (a) (i) of clause 3 of the Bill, after the word 'established' the words 'by law' be inserted."

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 10th April, 1934.

LEGISLATIVE ASSEMBLY.

Tuesday, 10th April, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

DELIVERY WORK IN EXTRA-DEPARTMENTAL POST OFFICES AND POSTMEN AND OVERSEERS IN BENGAL AND ASSAM CIRCLE ORDERED TO DEMIT OFFICE.

657. ***Mr. S. C. Mitra:** (a) Is it a fact that Government have issued orders directing that the delivery work in extra-departmental post offices must be done by extra-departmental delivery agents? If so, will Government please lay a copy of the order on the table?

(b) Is it a fact that the Postmaster-General, Bengal and Assam, issued instructions by an express letter No. S.-296, dated the 21st February, 1934, to all Superintendents of Post Offices and first class Postmasters to carry out the retrenchment of personnel in all cadres below the clerical cadre and to order the retrenched personnel to demit office before the 1st April, 1934?

(c) If the reply be in the affirmative, will Government please state the total number of postmen and overseers in Bengal and Assam Circle who have been ordered to demit office on or before the 31st March, 1934 on the basis of that order and also the number of such officials whose service is below 25 years and below 10 years?

(d) Is it a fact that orders have also been issued to appoint extra-departmental delivery agents in place of the postmen under orders of discharge? If so, will Government state on what monthly allowances they will be appointed and what is the scale of pay of the postmen they will replace?

(e) Is there any possibility of the postmen under 25 years service now under order of discharge being absorbed in vacancies in the postmen's cadre elsewhere?

The Honourable Sir Frank Noyce: (a) The fact is not as stated, extra-departmental delivery agents are being employed only in those extra-departmental post offices in which the delivery work is not sufficient to justify the employment of wholtime postmen or village postmen. The second part of the question does not arise.

(b) **Yes.** These instructions were issued in the interests of the staff themselves as according to orders then in force the period for the grant of retrenchment concessions was due to expire on the 31st March, 1934.

(c) Government regret that the information is not readily available. The position, however, is that as the period for retrenchment concessions has been extended in the Posts and Telegraphs Department for one year from the 1st April, 1934, the Postmaster-General, Bengal and Assam, issued revised instructions on the 28th March, 1934, cancelling, for the present, the retrenchment of such officials as had not actually vacated their posts.

(d) Yes, but only where the volume of traffic justifies the employment of an extra departmental agent. As regards the second part, the monthly allowance of an extra-departmental delivery agent does not ordinarily exceed Rs. 10 a month while the scale of pay for wholetime postmen is Rs. 25—1—45 per month in the towns of Calcutta, Howrah and Alipore and Rs. 20—1—40 in the rest of the Bengal and Assam Circle.

(e) No. For the purpose of retrenchment, officials of the postmen class in each postal division or under each first class post office are treated as one unit.

Mr. Lalchand Navalrai: May I know from the Honourable Member whether the orders were only with regard to the retrenchment of personnel in the clerical cadre? Why was it only with regard to this clerical cadre and not in the case of the other cadres, *vide* clause (d)?

The Honourable Sir Frank Noyce: I think retrenchment has been proceeding also in regard to the other cadres. Retrenchment has been going on throughout the Department.

Mr. Lalchand Navalrai: But were there no orders with regard to this before, and, therefore, these orders were made in regard only to this cadre of clerks? Was there no order, along with the other orders under which the general retrenchment was going on? Why was there no such order with regard to these clerks also, so that it became necessary to give separate orders with regard to the clerks?

The Honourable Sir Frank Noyce: Orders in regard to the different cadres may issue separately; there is no reason why they should all issue together.

Mr. Lalchand Navalrai: I wanted to know whether there was a separate order on that account, *viz.*, that there was no order previously with regard to these men?

The Honourable Sir Frank Noyce: I am not conversant with all the details of this case. If my Honourable friend will put down a question, I shall be glad to obtain the information.

TREATMENT OF AN EX-STRIKER IN THE ENGINEERING DEPARTMENT ON THE GREAT INDIAN PENINSULA RAILWAY AT NAGPUR AS A NEW ENTRANT ON RE-INSTATEMENT.

658. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if it is a fact that an *ex*-striker in the Engineering Department on the Great Indian Peninsula Railway at Nagpur, when re-instated, is treated as a new entrant?

(b) Is it a fact that an *ex*-striker in the Transportation Department, if re-engaged, has his service prior to the strike, counted and also taken into consideration at the time of retrenchment?

(c) Is it a fact that owing to this differential treatment twenty workers in the Engineering Department at Nagpur were retrenched as being new men?

(d) Will Government be pleased to state the reasons for this differential treatment?

Mr. P. R. Rau: With your permission, Sir, I propose to reply to questions Nos. 658, 659, 663 and 664 together.

I have called for information, and will lay a reply on the table of the House, in due course.

Mr. Lalchand Navalrai: May I know how many times during the past three or four days the Honourable Member has stated that replies are being sent for?

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order.

RE-INSTATED EX-STRIKERS IN THE ENGINEERING DEPARTMENT OF THE GREAT INDIAN PENINSULA RAILWAY AT NAGPUR.

†659. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if it is a fact that the *ex-strikers* in the Engineering Department at Nagpur on the Great Indian Peninsula Railway were re-instated within two months of their discharge, consequent upon their going on strike?

(b) Is it a fact that there is a rule on the Great Indian Peninsula Railway that if a man is discharged and re-engaged within six months from the date of his discharge, his service prior to the discharge is counted for the purposes of gratuity and other privileges?

(c) If the reply to part (b) be in the affirmative, will Government be pleased to state whether the cases of these re-engaged strikers do not come within the purview of that rule?

(d) Are Government prepared to inquire into the matter and state the result?

BLOCK RETRENCHMENT ON THE GREAT INDIAN PENINSULA RAILWAY.

660. ***Mr. N. M. Joshi:** Will Government be pleased to state whether it is a fact that at present block retrenchment is being effected on the Great Indian Peninsula Railway?

Mr. P. R. Rau: The Agent, Great Indian Peninsula Railway, reports that no block retrenchment is being effected on the railway at present.

EX-STRIKERS ON THE GREAT INDIAN PENINSULA RAILWAY NOT YET RE-INSTATED.

661. ***Mr. N. M. Joshi:** Will Government be pleased to state the number of *ex-strikers* on the Great Indian Peninsula Railway, who have still not been re-instated?

Mr. P. R. Rau: There are still 3,495, who have not yet been taken back.

MAINTENANCE OF TWO WAITING LISTS OF EX-STRIKERS ON THE GREAT INDIAN PENINSULA RAILWAY.

662. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if it is a fact that the Great Indian Peninsula Railway Administration maintains two separate waiting lists of *ex-strikers*, classed as 'A' and 'B'?

† For answer to this question, see answer to question No. 658.

(b) Is it a fact that the ex-strikers on list 'A' are given preference over those on list 'B'?

(c) If the replies to the preceding parts be in the affirmative, will Government be pleased to state the reasons for this preference?

Mr. P. R. Rau: (a) I understand that on the Great Indian Peninsula Railway, *ex-strikers* are divided into the following three categories:

1st waiting list.—*Ex-strikers* who complied with the terms of the Government of India communiqué of the 1st March, 1930.

2nd waiting list.—Such of the men from the 1st waiting list as declined to accept an offer of employment on other State-managed Railways.

Register for re-employment.—*Ex-strikers* who failed to comply with the terms of the Government of India communiqué of the 1st March, 1930.

(b) Those who are on either of the waiting lists are given preference over those on the register for re-employment. Those on the 2nd waiting list are to be re-instated after those on the 1st waiting list have been re-instated.

(c) Government consider that *ex-strikers* who returned to duty within the period prescribed should have preference over those who did not. It was solely in order to allay all avoidable discontent and hardship that they arranged to keep the others on a special register and gave them preference over outsiders when vacancies occurred. The whole question is fully explained in paragraph 19 of the Railway Board's letter to the General Secretary, All-India Railwaymen's Federation, dated the 24th December, 1930, a copy of which I lay on the table.

Extract paragraph 19 from Railway Board's letter to the General Secretary All-India Railwaymen's Federation, dated the 24th December, 1930.

19. It will be observed that the terms of these communiques apply only to persons who offered to return to duty within a prescribed period and do not impose any obligation on the Railway Board or the Railway Administrations in respect of persons who did not. With regard to the latter, however, the Railway Board have, *suo motu*, and solely with a view to allaying all avoidable discontent and hardship, issued instructions to the Agents of State-managed Railways:

- (i) that men who failed to comply with the terms of the communiqué of March 1, when they apply for appointment, should have their names registered and that when vacancies occur, they should be given preference to other applicants, such register to be kept open unto the 31st December, 1931. This instruction was issued in June, 1930, and it is now proposed to issue further instructions, as indicated in paragraph 13, which are more favourable to the strikers;
- (ii) that the question of fixing the initial pay of such men on re-employment is left to the discretion of the Agents but that the Board have no doubt that the Agents will issue orders to the appointing officers to give full consideration to the qualification, experience and the last pay drawn by each individual when determining the rate of such initial pay;

- (iii) that such men should, on re-employment, be subject to the standard of medical examination prescribed in the case of persons already in the service and not the higher standard imposed on candidates for employment;
- (iv) that such men shall, on re-employment, be treated as new entrants but that the question of treating the period during which they remained out of employment as *dies non* for the purpose of retiring gratuity will be considered at the time of termination of their service and decided on the merits of each case.

The Board have also informed the Agents of Company-managed Railways that they are most anxious that such persons should be given employment in railways at the earliest possible date and suggested that some preference be shown to them when vacancies are filled on their railways and further that application from candidates for vacant posts be advertised in the newspapers read by residents in the area served by the Great Indian Peninsula Railway, the attention of the Agent, Great Indian Peninsula Railway, being drawn to such advertisement.

Dr. Ziauddin Ahmad: May I ask one question? Is it not a fact that persons who were strikers are put on a premium and persons who helped the Government at the time are put at a discount?

Mr. P. R. Rau: I do not think that is the case.

Mr. N. M. Joshi: May I know whether it is not a greater crime to be a black leg than a striker?

Mr. P. R. Rau: That is a matter of opinion.

RE-INSTATEMENT OF CERTAIN EX-STRIKERS OF BHUSAVAL AND NAGPUR ON THE GREAT INDIAN PENINSULA RAILWAY.

†663. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if it is a fact that certain ex-strikers at Bhusaval and Nagpur on the Great Indian Peninsula Railway have been refused re-instatement on the ground that they have not fulfilled the conditions of the Government of India Communiqué, dated the 1st March, 1930, in regard to the settlement of the strike?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state how they did not fulfil the conditions?

(c) Are Government prepared to inquire into the matter and state the result of the inquiry?

REDUCTION OF MEN ON THE GREAT INDIAN PENINSULA RAILWAY.

†664. ***Mr. N. M. Joshi:** Will Government be pleased to state how many more men are likely to be reduced on the Great Indian Peninsula Railway?

RECRUITMENT OF OUTSIDERS ON THE GREAT INDIAN PENINSULA RAILWAY.

665. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if it is a fact that outsiders have been recruited on the Great Indian Peninsula Railway in the vacancies recently filled up?

† For answer to this question, see answer to question No. 658.

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state if this recruitment of outsiders does not go against the instructions issued by the Railway Board?

(c) Are Government prepared to inquire into the matter and state the result of the inquiry?

Mr. P. R. Rau: I have called for information and will lay a reply on the table of the House, in due course. ;

EXCLUSION OF THE DELHI CAMP ALLOWANCE FOR THE PURPOSE OF ALLOTMENT OF QUARTERS TO THE STAFF OF THE ATTACHED OFFICES.

666. *Rao Bahadur B. L. Patil: (a) Is it a fact that Delhi camp allowance granted to the clerical staff of the Attached Offices of the Government of India is excluded for the purpose of allotment of quarters while it is included for recovery of rent?

(b) If so, are Government aware that the clerical staff of the Attached Offices are made to pay more than the staff of the Secretariat for the same accommodation and are deprived of the accommodation which is due to them on the basis of emoluments on which rent is recovered from them, for example, men in the Secretariat drawing Rs. 350 per mensem pay for C unorthodox type of quarter Rs. 35 and those in the Attached Offices drawing the same salary, pay Rs. 40 on Rs. 350 plus Rs. 51 Delhi camp allowance, for which emoluments they should get B unorthodox type of quarter, the maximum rent of which is Rs. 40?

(c) If so, do Government propose to remove the discrimination between the staff of the Secretariat and the Attached Offices by including or excluding the Delhi camp allowance for both purposes? If not, why not?

The Honourable Sir Frank Noyce: (a) Yes. The classification of Government servants for the purpose of allotment of residences is based on their substantive pay, and it has been laid down that the term "pay" has the meaning assigned to it in Fundamental Rule 9(21)(a). It, therefore, does not include compensatory allowances.

The recovery of rent, on the other hand, is based on "emoluments" as defined in Fundamental Rule 45C, which include compensatory allowances.

(b) It is evident that in the example given by the Honourable Member, the clerk in receipt of Delhi Camp Allowance pays more rent than the clerk who receives nothing in addition to his pay. But I am unable to agree that for this reason he is entitled to accommodation of a higher class.

In the first place, there is no reason why a clerk who receives a compensatory allowance should merely on this account be regarded as superior to a clerk who does not.

Secondly, the classification prescribed by the Allotment Rules depends on the basic status of the individual; and if items such as officiating pay and compensatory allowances are taken into account considerable hardship will be caused. For example, a clerk transferred to a post in which he ceased to draw Delhi Camp Allowance would, if the Honourable Member's views were accepted, lose his lien on his quarters immediately.

Thirdly, the example given by the Honourable Member refers to the B and C class unorthodox quarters, as to which an anomaly admittedly exists. The standard rent of the C class quarters, which is now higher than that of the B class quarters, will be revised as soon as the new quarters now under construction are completed.

(c) Government cannot agree that there is any discrimination and for the reasons given do not propose to change the principle on which allotments are made.

TENDERS FOR BODY VARNISH HARD DRYING INSIDE.

667. *Mr. S. C. Mitra: (a) Is it a fact that the Indian Stores Department invited tenders for Body Varnish Hard Drying Inside as per Indian Stores Department specification, and that the tender of Messrs. Jenson and Nicholson was accepted?

(b) Is it a fact that as a result of the acceptance of the tender, Running Contract No. H6040/10, dated the 5th March, 1930, was made with Messrs. Jenson and Nicholson for the supply of this varnish to the East Indian Railway during 1931-32?

(c) Is it a fact that the actual supply was subsequently found to be not in accordance with the Indian Stores Department specification mentioned in the tender?

(d) Is it a fact that the material supplied in accordance with the said Contract was found unsatisfactory and unsuitable and was rejected?

(e) Is it a fact that the East Indian Railway authorities subsequently accepted the said rejected supply and insisted upon getting this inferior quality at the same originally contracted for rate without calling for fresh tenders for this cheaper quality?

(f) Is it a fact that according to the rules for the submission of tenders, a contract is liable to be cancelled and the tenderer held responsible for the breach of contract if the supply is not according to the specifications mentioned in the tenders? If so, why was not this rule applied in the case of the supply of Body Varnish Hard Drying Inside by Messrs. Jenson and Nicholson, the successful tenderer?

(g) Do Government propose to inquire into the matter? If not, why not?

(h) Are Government aware that there are several other cases in which particular tenderers were allowed to supply materials which were not according to the Indian Stores Department specifications mentioned in the tenders of the successful tenderers, and in whose favour the specifications were changed without calling for fresh tenders? If not, do Government propose to inquire into such cases and lay a copy of the result of such inquiries on the table of this House? If not, why not?

Mr. P. R. Rau: I have called for the information, and shall lay it on the table, on receipt.

Mr. F. E. James: Can the Honourable Member enlighten this House as to what exactly is the meaning of "Body Varnish Hard Drying Inside"?

Mr. P. R. Rau: I am afraid that is beyond me; perhaps Mr. S. C. Mitra can answer that question.

Mr. S. C. Mitra: If you want it, I can certainly explain what this means, but I am afraid the Honourable the President will not perhaps be willing to permit me to do so.

**GRANT OF TRAVELLING AND HALTING ALLOWANCES TO MEMBERS OF THE
INDIAN MEDICAL COUNCIL.**

668. *Mr. S. C. Mitra: (a) Will Government be pleased to state whether any rules have been framed regarding the grant of travelling and halting allowances to members of the Indian Medical Council?

(b) Is it a fact that Government have directed that Provincial Governments should meet these charges for members representing various electorates in the provincial area, or nominated by such Provincial Governments?

(c) If the answer to part (b) be in the affirmative, why has this distinction been made in the case of the Indian Medical Council?

(d) Is it a fact that the travelling and halting allowance of members of the Imperial Council of Agricultural Research or the Inter-University Board and various *ad hoc* Committees which the Government of India appoint, are paid by the Central Government out of Central revenues?

(e) Are Government aware that Provincial Governments grant allowances at provincial rates which vary in each province and different rates are fixed for different individuals of the same Province?

(f) Are Government further aware that in the case of the payment of allowances to members of the Executive Committee some provinces may have to pay a larger amount than other provinces from which either fewer members have, or no member has, been elected?

(g) Are Government also aware that owing to meetings being held in Delhi some Provinces will have to pay a larger amount than others?

(h) Will Government be pleased to state if they have considered the possibility of providing by rules that meetings of the Council may be held by rotation in the capital of each of the provinces?

Mr. G. S. Bajpai: (d) No.

(b), (c) and (d). The Government of India consulted Provincial Governments, who have generally expressed their willingness to meet the expenditure.

The Government of India do not pay any travelling or halting allowances in connection with the meetings of the Inter-University Board. As regards the Imperial Council of Agricultural Research and *ad hoc* committees, the practice is not uniform. Generally speaking, the travelling and halting allowances of official members are paid from the same source as their salaries. As regards non-official members, the matter is regulated by the terms sanctioned for the particular committee or body.

(e) The rates of travelling allowance and halting allowance are not uniform in all provinces.

(f) It will be open to the Council to meet this charge from its own funds.

(g) This is likely.

(h) Under section 8 (i) of the Indian Medical Council Act, it is for the Council to appoint the place of its meeting.

LEAVE FACILITIES TO OFFICIAL MEMBERS OF THE INDIAN MEDICAL COUNCIL.

669. *Mr. S. C. Mitra: (a) Will Government be pleased to state what facilities are granted by way of leave to members of the Indian Medical Council who are officials to enable them to attend meetings of the Medical Council?

(b) Is it a fact that officials nominated to the Council by Local Governments are permitted to attend the meetings of the Council and are treated as being on duty, whereas other officials who have been elected to the Council are required to apply for leave and can only attend the meeting if such application for leave is granted?

Mr. G. S. Bajpai: (a) and (b). Government have no information, but will make enquiries on the subject.

FUNCTIONS OF THE SECRETARY OF THE INDIAN MEDICAL COUNCIL.

670. *Mr. S. C. Mitra: (a) Is it a fact that the paid Secretary of the Committee is not a member of the Indian Medical Council?

(b) Is there any truth in the newspaper statement that the Secretary is going to be a member of the inspecting body which will visit the different medical institutions in the country?

(c) Is it a fact that the Indian Medical Council negated the idea of the Secretary being a member of the inspecting body?

(d) If so, will Government please state the special reasons for overriding the decision of the Medical Council for providing special powers to the paid Secretary of the said Council?

Mr. G. S. Bajpai: (a) Yes.

(b), (c) and (d). The Medical Council, at their first meeting, resolved to make a regulation debaring the Secretary from appointment as an Inspector. The proposed regulation is subject to the previous sanction of the Governor General in Council, and is now under consideration by that authority.

Mr. B. Sitaramaraju: Is it not a fact that the Simla Conference made a recommendation that the Secretary should never be a Member of the Council?

Mr. G. S. Bajpai: I do not think that the Simla Conference made any recommendation to that effect.

WAR PREPARATION WORK IN CERTAIN BRANCHES OF THE ARMY HEADQUARTERS.

671. *Mr. S. G. Jog: (a) Will Government please state the number of war preparation sections in the M. G. O. Branch and the number of officers, technical clerks and other establishments, sanctioned for them, and the total annual cost on this account?

(b) Will Government please state the total annual cost in respect of officers and others, sanctioned for war preparation work in the offices of the C. G. S., the A. G., and the Q. M. G. at Army Headquarters?

Mr. G. R. F. Tottenham: It is the main function of the Army to be ready for war and, in that sense, the whole of Army Headquarters may be said to be employed on war preparation work. If the Honourable Member would care to come and explain to me in greater detail what it is that he wants to know, I shall endeavour to give him all the information at my disposal.

POST OF ASSISTANT MASTER-GENERAL OF THE ORDNANCE.

672. *Mr. S. G. Jog: Will Government please state whether the post of A. M. G. O., Army Headquarters, is a new appointment? If so, when, and for what new duties, was this post sanctioned?

Mr. G. R. F. Tottenham: No. It is only the title of the appointment and not the appointment itself that is new.

MOVE OF THE MASTER-GENERAL OF THE ORDNANCE BRANCH CAMP OFFICE TO DELHI.

673. *Mr. S. G. Jog. (a) Is it a fact that the former M. G. O., Major-General Kirwan took Government's sanction for the move of his camp office avowedly to give change of climate to men by turn? If so, will Government please state why M. G.-5 should come to Delhi every year?

(b) Is it a fact that Government have previously declared that the location of Army offices in Simla throughout the year did not involve any loss of efficiency? If so, are Government, in the interests of economy, prepared to withdraw sanction for the move of the M. G. O. Branch camp office? If not, why not?

(c) Are Government aware of the extent of heartburning caused among that section of the M.G. O.'s office which is not brought to Delhi?

Mr. G. R. F. Tottenham: (a) The reply to the first portion of the question is in the negative. The second portion does not arise.

(b) I have been unable to trace any previous declaration of the nature referred to by the Honourable Member. The annual moves of the various branches of Army Headquarters are dictated by reasons of administrative convenience and efficiency and Government are not prepared to withdraw sanction for them.

(c) Government are aware that individuals would prefer to come to Delhi instead of staying in Simla for the cold weather.

SOLDIER AND LADY CLERKS IN THE ARMY HEADQUARTERS.

674. *Mr. S. O. Mitra: (a) With reference to the answer to my starred question No. 342 of the 6th March, 1934, wherein it had been suggested that the soldier and ex-soldier clerks at Army Headquarters represent a small proportion of the total establishment, is it a fact that in view of the following figures the proportion of the military category is as high as one-third?

<i>Total No. of Clerks</i>	<i>No. by categories.</i>
620 (including 20 technical military Clerks)	100 soldier clerks. 50 lady clerks. 93 ex-soldier clerks.

(b) Will Government please state the total amount of the pay of the 243 soldier, ex-soldier and lady clerks and that of the 357 Indian clerks?

(c) Is it a fact that according to existing orders there is no limit to the cadre of ex-soldier clerks, who are regarded as civilian clerks, and that any number of the soldier clerks could be civilianised any time and replaced in the soldier clerks' cadre by fresh recruits, thereby gradually increasing the proportion of non-Indian element, and correspondingly decreasing that of the Indian clerks at Army Headquarters?

(d) In view of the suggestion made that a soldier with practical military knowledge is essential in military work:

(i) is it a fact that military work is carried on in the Army Department Secretariat of the Government of India? If so, what is the strength of soldier and ex-soldier clerks in the office mentioned?

(ii) Are Government prepared to include soldier and ex-soldier clerks in the Army Department Secretariat? If not, why not?

(e) Are Government prepared to lay on the table the file dealing with the necessity, and fixation of the proportion of soldier clerks at Army Headquarters and their exemption from the Public Service Commission control? If not, why not?

Mr. G. R. F. Tottenham: (a) The Honourable Member has, I think, based his statistics on certain rough figures that I gave in reply to a supplementary question some time ago, in which I said from memory that there were about 100 soldier clerks. In this term I intended to include both soldier and ex-soldier clerks. The correct figures are as follows:

Soldier Clerks	..	...	...	27
Ex-soldier clerks	...	...	...	93
Lady clerks	...	...	...	52
Other civilian clerks	...	...	...	558
				<hr/>
Total	...	...	...	730
				<hr/>

The proportion of the military element is thus 16·4 per cent. of the total establishment.

(b) The correct figures are 172 soldier, ex-soldier and lady clerks, and 558 other civilian clerks. It will take some time and an appreciable amount of labour to work out the cost of each category, but I am obtaining the information and will lay a reply on the table in due course.

(c) No, Sir. The maximum number of soldier, ex-soldier and lady clerks is definitely fixed at 25 per cent of the total establishment.

(d) (i). The Army Department is certainly concerned with military affairs but its work does not require the same detailed knowledge of army machinery as is required in the branches of Army Headquarters. No soldier, or ex-soldier clerks are, therefore, employed in the Army Department.

(ii) No, Sir—because they are unnecessary.

(e) No, because the reasons have already been sufficiently explained.

DISCRIMINATION IN THE MATTER OF PAY AND ALLOWANCES IN THE ARMY HEADQUARTERS.

675. *Mr. S. C. Mitra: (a) With reference to the answers to my starred questions Nos. 344 and 349, dated the 6th March, 1934, wherein Government expressed reluctance to accept English procedure as precedent for Government of India, are Government aware of the existence, at page 37 of the printed Budget Estimates of Expenditure on Defence Services 1934-35, of the following paragraph:

"In March 1925, orders were issued revising the rates of pay of all regular King's commissioned officers of the Army in India with effect from July 1924. The principles adopted in the revision departed considerably from previous practice and the officers' pay was based on the rates current in England?"

(b) If so, will Government be pleased to state why in one case the English practice is followed, while in another it is not done likewise?

Mr. G. R. F. Tottenham: (a) Yes.

(b) Because the circumstances in the two cases are entirely different. The fact that the pay of officers recruited in England and serving in India is based on the pay of officers serving in England is no reason why the pay of clerks recruited and serving in India should be based on the pay of clerks recruited and serving in England.

SOLDIER AND LADY CLERKS IN THE ARMY HEADQUARTERS.

676. *Mr. S. C. Mitra: (a) With reference to the answers to my starred question No. 345 of the 6th March, 1934, wherein it had been explained that Government experienced difficulty in getting soldiers to serve at Army Headquarters on the lowest rate for which Indians are available, will Government please state why soldiers could not be had to serve on their regimental rates of pay?

(b) Is it a fact that military discipline precludes a soldier from exercising option as to the choice of a station at which he should serve?

(c) Will Government please state what is the regimental pay of a soldier before his attachment to Army Headquarters as a clerk on Rs. 190 per mensem to start with?

(d) Will Government please state the year when the pay of a lady clerk at Army Headquarters was less than Rs. 100 per mensem, the number of the lady clerks then serving, and the number of resignations that followed the sudden reduction in the rate of pay? What was the exact rate then prevailing?

(e) Will Government please state whether the proportion of pay (including overseas pay) of an Indian to an English clerk at the High Commissioner's office is 3 : 1 initially, as is the case at Army Headquarters where an Indian gets less than one-third of what a Britisher receives? If not, what is the actual proportion?

Mr. G. R. F. Tottenham: (a) Because without additional pay there would be no inducement to the soldier to take up clerical work and obtain the necessary certificate of education.

(b) It is true that soldiers must serve as soldiers wherever they may be sent, but soldiers are under no obligation to serve as clerks either in their own units or in staff offices.

(c) The average monthly pay and allowances of a private soldier work out at approximately Rs. 70 per mensem, but, in addition, he gets certain concessions in kind such as free board and lodging and fuel.

(d) The starting pay of lady clerks has been Rs. 100 since 1920. Before that there was no regular time scale of pay and it would be very difficult, if not impossible, to obtain the information asked for by the Honourable Member. My information is that the pay generally given to lady clerks before 1920 was less than Rs. 100 and this was found to be insufficient.

(e) Government have no information regarding the rates of pay in the High Commissioner's office.

Mr. B. Sitaramaraju: Has the pay of these lady clerks now been increased?

Mr. G. R. F. Tottenham: No, Sir: It is still Rs. 100.

TRAINING IN ARSENALS TO INDIANS FOR WORKING AS TECHNICAL CLERKS AT THE ARMY HEADQUARTERS.

677. ***Mr. S. O. Mitra:** (a) With reference to the answer to my starred question No. 348 of the 6th March, is it a fact that a military subordinate of the Indian Army Ordnance Corps serving in the M. G. O. Branch, is regarded as serving in his own department? If so, will Government please state why in the answer to my starred question No. 58 of the 30th January, 1934, it was stated that seven out of eleven technical military clerks serving in the M. G. O. Branch had already been replaced in the Corps?

(b) Will Government please state why Indians with suitable qualifications are not given the requisite specialized training in arsenals with a view to their functioning as technical clerks at Army Headquarters?

Mr. G. R. F. Tottenham: (a) The answer to the first part of the question is in the affirmative. The answer to the second part is that the actual strength of the I.A.O.C. is fixed according to the exigencies of the service. When members of the corps are transferred from arsenals for work at headquarters some of them have to be replaced in arsenals while others need not.

(b) As already explained in answer to previous questions, Indians are being so trained.

LADY CLERKS IN THE CENTRAL MILITARY OFFICES AND IN THE GOVERNMENT OF INDIA OFFICES.

678. ***Mr. S. O. Mitra:** Will Government please state (a) the total number of lady clerks employed in the central military offices (including the Army Department Secretariat), and (b) the total number throughout the other Government of India offices?

The Honourable Sir Harry Haig: The information is being collected and will be laid on the table in due course.

DUTIES OF THE DIRECTOR OF REGULATIONS AND FORMS.

679. ***Mr S. O. Mitra:** Is it a fact that the Director of Regulations and Forms is not in a position to suggest any alteration to the substance of Regulations with which the Army authorities alone are concerned? Are his duties merely to effect economy in printing of amendments and forms?

Mr. G. R. F. Tottenham: The answer is in the negative. I explained the functions of the Director of Regulations and Forms at some length in my answer on the 30th January, 1934, to starred question No. 59 to which I would refer the Honourable Member.

RECRUITMENT OF LADY CLERKS.

680. ***Mr. S. O. Mitra:** Will Government please state whether they have adopted the policy of recruiting, for certain classes of work, lady clerks at a higher rate of pay, than men clerks, thus putting an additional burden on the Indian tax-payer? If so, why?

The Honourable Sir Harry Haig: Ladies are equally eligible with men for clerical posts in certain offices at the Headquarters of the Government of India and when appointed to the second or third division in these offices are given a higher initial rate of pay.

Mr. M. Maswood Ahmad: What is the amount of the higher additional pay that is given to these lady clerks?

The Honourable Sir Harry Haig: The initial rate of pay is Rs.100.

Mr. B. Sitaramaraju: What is the necessity for giving these lady clerks the higher rate of initial pay?

The Honourable Sir Harry Haig: That, Sir, is a matter that was gone into carefully some years ago, I think, by a Committee, and they came to the conclusion that that was the minimum rate of pay which should be offered.

UNSTARRED QUESTIONS AND ANSWERS.

CHANGE IN THE DATE OF THE MILITARY ACADEMY EXAMINATION.

338. **Mr. S. G. Jog:** (a) Is it a fact that the examination of the Indian Military Academy was fixed for the 26th March, 1934?

(b) Is it a fact that the date was changed to the 27th March, 1934?

(c) Will Government please state the reason why the date was changed?

(d) Was the date dependent on the visibility of the moon, and if so, why was not the date of the examination made alternative?

(e) Is there any precedent for such a change of date?

(f) Was any representation made in the matter? If so, by whom?

(g) What is the number of candidates for whose convenience this date was changed?

(h) Are Government aware that this sudden change has caused inconvenience to other candidates?

(i) Are Government aware that by not announcing the alternative dates beforehand they handicapped some candidates?

Mr. G. R. F. Tottenham: (a) to (i). The Public Service Commission originally notified that the examination would commence on the 26th March, and, as the official calendar showed that the holiday would fall either on the 27th or the 28th March, they arranged that papers should be taken only in the afternoons of those days. On the appearance of the moon, it became certain that the 'Id' would fall on the 26th March and the Public Service Commission accordingly postponed the examination until the 27th, as they always endeavour to avoid holding examinations on major closed holidays. They have no reason to suppose that any inconvenience was thereby caused to any candidate or that any candidate was handicapped by the change. All candidates had in any case to be present in Delhi on March 26th and under the revised arrangements the examination finished on the date originally proposed.

CONSOLIDATED ALLOWANCE TO SPECIAL TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

339. Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to enquire and state if it is a fact that the decision of the Railway Board, sanctioning enhanced consolidated allowance as an *ex gratia* measure to the old Travelling Ticket Examiners of the Audit Department on the North Western Railway, was in respect of those who held the post substantively?

(b) Is it a fact that Special Ticket Examiners are still paid daily allowance?

(c) Is it a fact that the Divisional Superintendent, Delhi, at his own discretion has sanctioned enhanced consolidated allowance to one Babu Labhu Ram Teji who was a permanent Ticket Collector officiating as temporary Special Ticket Examiner and who was promoted as temporary Travelling Ticket Examiner?

(d) Is it a fact that Babu Labhu Ram Teji was not confirmed as a Travelling Ticket Examiner before 1st June, 1931, when the Travelling Ticket Examiners' cadre is said to have been abolished?

(e) If the Divisional Superintendent, Delhi, could exercise his discretion in favour of the above named employee, what objection is there in granting enhanced consolidated allowance to those permanent Ticket Collectors who fulfil the same conditions as Babu Labhu Ram Teji (Messrs. Mathews, Lakhlu Ram, and M. Abdulla of Lahore Division) and who worked as Travelling Ticket Examiners for a longer period?

(f) If the payment of enhanced consolidated allowance is a matter of discretion, what objection is there if all the employees working as Special Ticket Examiners are paid this consolidated allowance?

Mr. P. R. Rau: (a) Yes.

(b) to (f). I have called for information and will lay a reply on the table of the House, in due course.

**DIFFERENT RULES GOVERNING PAY AND ALLOWANCES FOR THE STAFF IN
DIFFERENT DIVISIONS OF THE NORTH WESTERN RAILWAY.**

340. Khan Bahadur Haji Wajihuddin: Will Government be pleased to state if it is a fact that in different Divisions of the North Western Railway there are different rules, governing pay and allowances for the staff? If so, why?

Mr. P. R. Rau: I have called for information and will lay a reply on the table of the House, in due course.

**ALLOTMENT OF A PARTICULAR QUARTER TO A PARTICULAR PERSON EVERY
YEAR IN NEW DELHI.**

341. Mr. S. G. Jog: (a) With reference to the reply to parts (d) and (e) of the starred question No. 1452, given on the 20th December, 1933, regarding allotment of a particular quarter to a particular person every year in New Delhi, will Government please state if they have come to any decision in the matter? If not, when do they expect to pass orders?

(b) Are there any difficulties in adopting the same practice in respect of allotment of clerks' quarters in Delhi which prevails in Simla, which permits the exchange of quarters in accordance with the priority of receipt of application? If so, what?

The Honourable Sir Frank Noyce: (a) No. It is proposed to take the matter up in connection with a general revision of the rules which is likely to be made in the course of the summer.

(b) There are at present 1,626 married clerks' quarters in New Delhi, and this number will be increased to 2,253 when the quarters under construction are completed. There are only 338 quarters in Simla, and the system in force there under which tenants are permitted to change their quarters in order of prior occupation would not be suitable for adoption in Delhi where the number of quarters available will shortly be over six times as great. I would point out, however, that it is not necessary to adopt the Simla system in order to permit tenants to change their quarters.

**ATTENDANCE OF THE HINDU STAFF OF THE MACHINE SECTION OF THE
RAILWAY CLEARING ACCOUNTS OFFICE ON RELIGIOUS HOLIDAYS.**

342. Mr. Gaya Prasad Singh: (a) Is it a fact that the Hindu staff of the Machine Section of the Railway Clearing Accounts Office is asked to attend office on religious holidays, whereas the Muhammadan staff is not?

(b) Is it a fact that the staff of the Machine Section is generally asked to sit late and even have to work for eleven hours continuously?

(c) Is it a fact that the grievances of the staff of the Machine Section have not so far been redressed in spite of their repeated requests?

(d) Do Government compensate the overburdened staff in any form? If so, what?

Mr. P. R. Rau: (a) I am informed that such attendance is not required generally but only when the exigencies of work require it.

(b) I understand the staff is required to work late hours only when it is absolutely necessary in the interests of public services. The question is being investigated further.

(c) and (d). I understand the Director, Railway Clearing Accounts Office has already taken action on some of the grievances by granting compensation holidays, arranging transfers, reducing the rate of outturn and so forth and the matter is receiving further attention. Some of the operators are also granted special pay.

THE SUGAR (EXCISE DUTY) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to present the Report of the Select Committee on the Bill to provide for the imposition and collection of an excise duty on sugar.

PRACTICE OF SENDING IN NOTICES OF AMENDMENTS AND NOTES OF DISSENT, ETC., WRITTEN IN PENCIL ON SCRAPS OF PAPER.

Mr. President (The Honourable Sir Shanmukham Chetty): With regard to the reports of Select Committees presented to the House, the Chair would request Honourable Members to send in their additional minutes or minutes of dissent either typed or written in ink on foolscap size paper, otherwise the minutes will not be taken. The Chair has to make this remark because one Honourable Member has sent his minutes of dissent on this slip block paper written on both sides in pencil.

THE INDIAN STATES (PROTECTION) BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the following amendment moved by Mr. Lalchand Navarai on the 9th April, 1934:

"That in sub-clause (a) (j) of clause 3 of the Bill, after the word 'established' the words 'by law' be inserted."

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): Sir, I rise to support this amendment, because I feel that there is a great flaw in the wording of the Bill as it stands. It appears that we are going to punish a man for bringing into hatred, contempt or to excite disaffection towards the administration established in any State in India. It is necessary, therefore, that we should define all the words contained in this clause as definitely as possible. Although we have had a long discussion about the words "hatred, contempt and disaffection", we have now come to the substantial words in the clause which are "administration established in any State in India". It is the attitude of the man towards the "administration established in any State in India" that is going to be taken into consideration. One fails to understand that a man should be punished for something indefinite. There must be some definite rule of conduct in a society or in a State, the acting on which or the omission of which should be punishable. But the words used in the Bill, are "administration established in any State in India". When we begin to scrutinise the administration established in an Indian State, we at once come to the conclusion that the "administration established in any State

[Maulvi Muhammad Shafee Daoodi.]

in India" is not at all definite. The other day, the Honourable the Law Member was pleased to make a remark that whatever the administration of the Indian State may be, it is the action towards that administration which is made punishable by this Bill. But one has to understand what the administration is against which such and such acts need not be done. Before one knows what the administration actually is, one cannot be held liable for doing anything against it or omitting to do anything against it. One would not expect a man to be punished for administration established by the whim of the ruler and that also in a manner which is not known to the people. People must know for certain what sort of administration is established in an Indian State the respect of which is expected from people living in British India. Before they know the nature of the administration, they cannot be expected to withhold action against it. I submit it must be made definite, and unless it is made definite, the punishment would be quite unjustifiable. If it is intended to mean that the administration, even if it is whimsical, based on the whim of the ruler, must be respected by people living in British India, it is something unreasonable, and nobody could be expected to accord his conduct in favour of it. I, therefore, submit that the amendment which has been proposed must be seriously considered by those in authority before the Bill is passed into law. Otherwise, we will be giving our consent to penalise a man for action without telling him how his action affects the administration. The Home Member says that it is no concern of ours to understand what the administration of the Indian State is, but the man who would be prosecuted can very well take the defence that unless he knew what the administration he was asked to respect, was, he should not be punished. There will be no reasonable reply to this defence. It would be sheer injustice to punish a man for acting against an administration which is so indefinite in its nature. I, therefore, support this amendment with all the strength I can command.

The Honourable Sir Broindra Mitter (Law Member): Sir, my submission is that the insertion of the words "by law" would render the clause meaningless. The clause, as drafted, runs:

"to bring into hatred or contempt or to excite disaffection towards the Administration established in any State in India."

It seems there is some confusion in the minds of Mr. Navalrai and others who supported him as to the meaning of the word "established". He did not explain what he understood by the words "Administration established in any State in India". From one part of his speech it appeared that he understood the word "established" to mean, brought into existence. In another part of his speech, I thought he understood the word "established" as referring to the internal constitution of the State, and this last understanding is supported by Mr. Shafee Daoodi who said that one must know what was the nature of the administration established in any State, which means that you must know what the constitution of the State is. Mr. Shafee Daoodi argued that it was indefinite and you ought to make it definite by introducing the words "by law". But may I ask, how you make it definite? The insertion of the words does not give you any idea of the internal constitution.

Mr. Lalchand Navalrai (Sind: Non-Muhammadian Rural): The words "by law" make it definite.

The Honourable Sir Brojendra Mitter: What law? If you understand the word "established" to mean brought into existence, then, I say, very few States are brought into existence by any law. I may refer—not that I accept the interpretation that "established" means brought into existence; I do not accept it; but on the assumption that "established" means brought into existence—I may refer the House to a passage in a well-known book on Jurisprudence, Holland's Jurisprudence at page 396 which runs:

"A new State arises either: Originally, where no State existed previously, a case now necessarily of infrequent occurrence; or derivatively, by separation from a previously existing State, and this either by agreement with the older State, or against its wishes. It is in the last-mentioned case that other nations often feel a difficulty in deciding upon the reception which should be given to the new claimant for national honours."

A new State, therefore, does not come into existence by any process of law. States come into existence in diverse ways. We know many States in India came into existence when the Mughal Empire crumbled away; they set up for themselves as independent or semi-independent bodies. We know how recently the State of Manchuko came into existence. Did it come into existence by the operation of any law? It did not. We know the Soviet Russia came into existence, not by the operation of any law, but through revolution. Therefore, if by the word "established" you understand "brought into existence", then very few States are established by the operation of any law. By the insertion of the words "by law" you render the clause meaningless. Sir, "established" does not mean brought into existence. "Established" is not a term of art, but it is an ordinary English word and the meaning is "set up on a secure or permanent basis". When an Administration is set up on a secure or permanent basis, the Administration is established, and in most States that is done by the recognition of other States. Never mind how a State comes into existence; the moment other nations recognise that State as an international unit, it is established.

Maulvi Muhammad Shafee Daoodi: But it is the question of the administration of the State.

The Honourable Sir Brojendra Mitter: It was pointed out at a previous stage of the debate that the word "Administration" meant Government. When a Government is recognised by other States, then it becomes established. In India that recognition does not come from other States or international units, but it comes from the Paramount Power; that is to say, the moment the Crown of England recognises the Government of a particular State, it can be said that the administration of that State is established. That is the meaning of the expression "Administration established in any State"; that is, the Government of a State which has been set up on a secure and permanent basis by the recognition of the Crown of England.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadian Rural): Then, why don't you add the words "recognised by Government"? The difficulty is, an usurper may come and occupy the *gadi* of a State and he holds the administration of the State for the time being, and the question is whether we are entitled to criticise that man. If we do so, we may bring his administration into contempt.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadian Rural): He will not be recognised by the sovereign power.

The Honourable Sir Brojendra Mitter: I follow my Honourable friend's point of view. If an usurper comes and sits on the *gadi* the administration is not established till recognition comes from the Government. If by "established" it means, as I submit it does mean, set up on a secure or a permanent basis, the Government of an usurper like Bacha-i-Sa-Kao was never established.

Mr. S. C. Mitra: Even the Government of India recognised him.

The Honourable Sir Brojendra Mitter: I do not think they did. An usurper merely sitting on the *gadi* does not establish himself, the establishment comes only when he is on a secure or permanent basis, and that comes *vis-a-vis* the States in India only through the recognition of the Paramount Power, the British Crown. Therefore, my submission is that the expression "established by law"—I am now dealing with the amendment—would be meaningless, whichever way you interpret the word "established". If by "established" you mean brought into existence, then it is meaningless, because very few States are brought into existence by any operation of law. If by "established" you mean set up on a secure and permanent basis, it would equally be meaningless, because a State in India is set up on a secure or permanent basis not by the operation of any law, but by recognition of the Paramount Power. Therefore, my submission is this that in any view the introduction of these words would render the clause meaningless.

Maulvi Muhammad Shafee Daoodi: Why should you not in that case substitute for the word "established", "recognised by the Paramount Power"?

The Honourable Sir Brojendra Mitter: That is not the amendment. I am talking on the amendment. If such an amendment were tabled, I could deal with it.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadian Urban): Sir, I must say that I have heard with a certain amount of surprise the explanation given by the Honourable the Law Member. He says the phrase "established by law" would be inappropriate, because it could not be predicated of many States that there was any law by which they were established. A State might have established itself by usurpation, by conquest, by raids and invasions and methods of that character which

certainly are not unknown to history. Most States have established themselves, including the Government of India as it exists at the present day, by usurpation. That is the history of most States; but my Honourable and learned friend has used the phrase "established by law" in connection with the Government of India and the Local Governments. Has that any meaning at all?

The Honourable Sir Brojendra Mitter: In the course of the debate I pointed out that the Government of India and the Local Governments had been established by Parliamentary Statute.

Sir Abdur Rahim: Does that imply that there can be no law except Parliamentary Statutes? Has not my learned friend heard of customary law and common law? How many administrations are not indeed established by common law? Take the administration of England itself. It is entirely based on Common Law, that is, customary law? Therefore, either the words "established by law" have no meaning and the authors of the Penal Code erred, although I should not like to say that of such eminent lawyers as the authors of the Penal Code, or my friends on the other side are absolutely wrong.

Then, my Honourable friend says that administration means Government. Why has he departed from that word in this case? Why has he advisedly used the word "administration" in place of "Government" which you find throughout the Penal Code?

The Honourable Sir Brojendra Mitter: I think there is an amendment like that, and when we come to the amendment I shall deal with it.

Sir Abdur Rahim: I have been dealing with the argument which has been already used by my Honourable friend.

Then, Sir, there is a still more important point. He says the word "established" means recognition by the Paramount Power. That is really the gist of the whole matter. Sir, whenever British officials and statesmen put forward a certain proposal deliberately, I for one always think that there is some meaning behind it. Therefore, when this Bill used the words "administration of a State", I was wondering why the phrase "Government established by law" which stared them in the face in the Penal Code was deliberately departed from. Now, Sir, what does this mean,—recognition by the Paramount Power? It means that no State has any legal existence so far as the British Government is concerned unless it is recognised. I see my Honourable friend, the Law Member, nods his head, so that I have his approval; and that is exactly what I thought and that is the whole scheme of this Bill. That is to say, it is no longer an Asiatic Power which existed independently of the Paramount Power, the British Crown. That is not so. It is now deliberately the policy of Government to publish to the world and to the States and to us that no State has any existence apart from the recognition given to it by the British Government. Sir, this is a matter for very serious consideration, specially by those States who hug the idea of Paramountcy with so much zeal and enthusiasm. I am one who is a staunch believer in democracy. Nothing has happened anywhere in the world as yet which has shaken my

[Sir Abdur Rahim.]

faith in democracy. I do not believe in autocracy. Its days are over, and the sooner autocratic States anywhere in the world disappear, the better. They will disappear. That, however, is another matter. But when the States claim a certain status, it is for them to consider how far this Bill or Bills of this character are intended or tend to enhance their status or to reduce their status. After the explanation given by the Honourable the Law Member, there can be no doubt what the object of this Bill is so far as the status of the princes is concerned.

Mr. Gaya Prasad Singh (*Muzaffarpur cum Champaran: Non-Muhammadan*): Sir, in spite of the learned disquisition of my esteemed friend, Sir Abdur Rahim, I feel some difficulty in understanding the scope of this amendment and in accepting it. I think the expression "established by law", when spoken with reference to Government, is a legal or a constitutional fiction. In one of my earlier speeches, I referred to the definition of "Government established by law in British India" as an instance of legal fiction, and I ventured to say on that occasion that the Government of India was not established at that time by law. The law came to be promulgated later on. But when the Mughal Empire declined and when the British merchants came out to this country, they began their trade, and, in course of time, as history shows, they usurped a part of this country, may be by force, may be by persuasion, may be in some instances by fraud. But whatever the methods may have been, it was by usurpation or by some method or other that they came to establish themselves, first as the East India Company, and then, later on, under the Crown. And then, when they had established themselves firmly, they began to promulgate the law, either by Parliament in England or the Legislature in this country, and then they continued this legal fiction and incorporated that expression in their law books,— "Government established by law". I venture to submit that it is not a *de jure* Government, but a *de facto* Government which in most cases establishes itself by methods not always legal. I will give you a few instances. The United States of America was, as we all know, under the domination of England. Now it is an independent territory; and how has that Government come to establish itself? As history teaches us, there was the American War of Independence, there was George Washington who established the new Government by force, and the United States of America came to have an independent existence. Was it established by law? Is there any power in this world which would refuse to recognise the United States of America as a Government established by law? But what was the origin of that Government? It was merely by revolt, or insurrection or rebellion.

Sir Abdur Rahim: On a point of explanation: I do not think my Honourable friend has really understood my point. I said law does not mean merely Statute law which was passed by a Legislature—it includes customary law and common law and facts which have been existing for some time.

Mr. Gaya Prasad Singh: I was not referring to your explanation. I was going to develop my own point with regard to that. As I was going to say in this particular case of the United States, we are speaking merely as a theoretical proposition without any political or other implication in it. The Government of the United States has come to establish

itself, not by law, but by usurpation or conquest, or whatever it may be. Take the case of Afghanistan to which reference was made by my Honourable friend, the Law Member. When King Amanulla Khan went to England, there was a insurrection behind his back, and when he came, he found himself dispossessed of his kingdom (*Honourable Members*: "No, no"), and there was civil war and bloodshed, and, as a result of that, he was forced to retreat from his country, and the new Government established in Afghanistan was recognised in course of time by the British Government and by other Governments, respectively. Was the Government of Afghanistan after the flight of Amanulla established by law? No. As we all know, there was civil war or revolt in Afghanistan resulting in the establishment of the present Government. The power when it establishes itself firmly promulgates a law, call it customary law, call it parliamentary law or what you like. The origin of the States hardly rests on any authoritative legal foundation. I shall be frank on this point. There was the Indian Mutiny of 1857. It failed. If it had succeeded and if these people had been able to establish themselves in this country, dethroning the present Government of India, and, in course of time, if that Government had been recognised by England, by France and by other Powers as an independent Sovereign State, what would you call that Government? Would you not call it a Government established by law, because the people rebelled against the existing Government, and then the stronger of the two contending forces established itself firmly and afterwards promulgated whatever law was needed? I submit that the origin of a State in very rare cases is founded on law. I am not going to refer to history; there are many ways in which, for instance, the Kingdom of Hyderabad might have been established. Mysore was under Hyder Ali and Tippu Sultan, and it was then annexed and made over to the present dynasty. Tippu Sultan himself, as history says, was an usurper. How then can it be said that the present State of Mysore is an administration established by law? My point is this: that the addition of the words "established by law" will not carry us any further. It might complicate matters in many cases. We have to recognise States as they are—the *de facto* Governments. My Honourable friend, the Leader of the Opposition, has said that if administration means Government, why not the word "Government" be substituted in place of the word "administration"? But in British India itself we find that there are many smaller Governments which are not designated as Governments, but as administrations. For instance, as far as I know, Coorg is called an administration: it is not called the Government of Coorg; similarly, the administration of Ajmer-Merwara is never called the Government of Ajmer-Merwara; owing to the smallness in size and importance of these territories, we call them administrations . . .

An Honourable Member: They are not governed, but administered only.

Mr. Gaya Prasad Singh: Whether you call it merely administration, or administration established by law, it will not carry matters very far.

My Honourable friend, Mr. Lalchand Navalrai, the other day quoted the instance of some prince in Kathiawar or in Sind having imprisoned a lot of people in a fort without any law. These are executive actions of an irresponsible character which may or may not happen everyday in an Indian State. In our own British India, we have got the Regulation of 1818, under which people have been clapped into jail indefinitely, and they

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have not been brought to trial before a regular Court of law. I am not making any comment on that point; but the reference of my Honourable friend, Mr. Lalchand Navalrai, was hardly appropriate to the subject we are discussing, because we are discussing the origin of the Government and not the irresponsible character of the executive. The words used are "Whoever brings, etc., etc., towards the administration established by law". That takes us back to the origin of the administration and not to the irresponsible executive actions which the head of that administration might be pursuing from time to time. Therefore, the addition of the words "by law" will not improve matters at all. Rather it will bring in complications. Take Kashmir, for instance: How was Kashmir acquired? I am not referring to history, but I understand Kashmir was acquired and it was sold to the forefather of the present Maharaja under certain conditions. The addition of the words "established by law" will hardly improve matters. That is my contention. How can the mere addition of these words make the administrations of these States more responsible and more amenable to law? Therefore, I have no very strong antipathy to these words if they are inserted, but they will not improve matters at all. It is better to leave the word as it is, because, if a particular case goes before a Court of law, the origin of the States might come into question and discussion, and then the whole situation might be landed in constitutional difficulty. Therefore, I am not enamoured of this amendment.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I too oppose this amendment, but there are one or two points that I should like to speak about. In the first instance, I entirely agree with my Honourable friend, Sir Abdur Rahim, when he said that the entire scheme in all this legislation was to shove in the idea of Paramountcy whether it existed or not, by all sorts of means, so that, later in life, when somebody referred to this legislation, he would say: "Did we not enact this piece of legislation? What were you doing all these days?" It is entirely at the back of this legislation

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Then ask for its being withdrawn: oppose it.

Raja Bahadur G. Krishnamachariar: Well, I shall consider it. Perhaps my friend will then listen to what I say. The fact that I am attacking a certain explanation of the Law Member does not mean that I attack the principle of the Bill, which I most heartily support. What I do say is that in opposing the amendment, the learned Law Member laid down certain propositions which I am out to contest and which I am out to prove cannot be sustained. That does not mean that the principle of the Bill is wrong, that the principle of this Bill could not be enunciated in phrases which would be unobjectionable. That, Sir, is my position. So my friend, Sir Cowasji Jehangir, will understand that every time an objection is raised, it does not mean that the Bill should be withdrawn.

Sir, as regards my Honourable friend, the Law Member, he enunciated a certain proposition which almost took my breath away. He stated that "established" means recognised by the Crown of England. Now, will my Honourable friend, before the discussion closes,—and I have tabled an amendment which raises this question definitely and specifically,—show

me a scrap of paper,—perhaps he will search the archives of his office from the time that Lord Macaulay sat in his chair up to the present day, —whether he can show me a scrap of paper by which it could be stated correctly, justifiably and legally that a Government established in an Indian State means a Government recognised by the British Crown? As against it I shall quote a statement, and, if necessary, I can quote many such instances regarding practically every State, except those little States which have accepted a *Sanad* which, in the words of my friend, Mr. Neogy, undertook to be loyal and call themselves feudatory,—to show that the contention of the Honourable the Law Member is not correct. Sir, Lord William Bentinck in 1832 wrote in respect of the Maharaja Scindia as follows:

“I do not possess any authority to confer or to take away the ruling power, because the Maharaja Scindia is the absolute ruler of his country. The British Government have neither seated any one on the *Gadi*, nor can they depose.”

What is the idea, Sir, in claiming after that that the British Crown should recognise an Indian State, as if without that recognition you cannot invest that State with an independent existence? But, Sir, the whole argument is entirely irrelevant. . . .

The Honourable Sir Brojendra Mitter: Is not what has been read out by the Honourable Member tantamount to recognition?

Raja Bahadur G. Krishnamachariar: Is it so? The British Government asserts itself, and those unfortunate Indian princes have got to recognise them; they have no other go. In the year 1832, Lord William Bentinck had absolutely no power either to depose the Maharaja Scindia or to confer any power on him. The Scindia sat on his throne himself. Lord William Bentinck said that he had nothing to do with him. But can anybody say: “Oh, he is not Scindia”. It does not mean any recognition at all any more than I can say that you are sitting in that Chair, it is highly impertinent on the part of anybody to come and say,—because you hold a statutory position and you sit in that Chair by the authority of a Statute,—I recognise the Chair; let the President continue to sit. Similarly, as I said, the whole argument is irrelevant for this reason, that the question is not as to the origin of a State. The question is as to how the administration came into existence. The word is “administration”, and not “State”. If the wording was that it is a State established, and if the amendment was that it should stand as a State established by law, then the entire argument of my friend would hold good, but nobody talks here about a State and how it came into existence, and I very respectfully submit, in spite of the arguments of my friends on both sides, the question as to how the State came into existence, and all that discussion about Bacha-i-Sa Kao and King Amanullah are absolutely irrelevant. The word is “administration”, and every administration may be established by law, whatever that law may be. It need not be an act of Parliament, as my friend, Sir Abdur Rahim, said. There is an administration which has been in existence for so long that the memory of man runneth not to the contrary. Is that not an administration established? Consequently, my Honourable friend, the Law Member, was entirely wrong when he said that the addition of the words “by law” to the word “administration” would go to create such great confusion as to make the entire thing unworkable on the grounds stated by him. But, as I have said, I oppose this amendment. . . .

Mr. S. C. Mitra: May I interrupt the Honourable Member for a moment? Will he tell us what is the administration in the Alwar State today? Is it the British administration now carried on, or it is the administration of the Maharaja of Alwar, and where is the Maharaja, according to the Honourable Member's theory?

Raja Bahadur G. Krishnamachariar: You mean now or before?

Mr. S. C. Mitra: Now.

Raja Bahadur G. Krishnamachariar: Sir, how the British Government came into existence in Alwar, I cannot say, but I shall quote my authority. In support of my position, I said in an earlier portion of my speech, that it was all *Zabardast*. I was laughed at. I was ridiculed, and I do not know what feeling was engendered in the minds of my friends opposite, but, a little later, when I deal with my amendment, I shall call in as my witness Lord Dalhousie, and Lord Hastings.

Sir Cowasji Jehangir: Which one?

Raja Bahadur G. Krishnamachariar: Lord Dalhousie, famous for his annexationist policy. There is only one Lord Dalhousie so far as India is concerned, because, our friend, the Marquis of Dalhousie, annexed Province after Province, including my unfortunate kingdom of Tanjore. I am going to call him as a witness. If you want an earlier witness. . . .

An Honourable Member: Who will summon him?

Raja Bahadur G. Krishnamachariar: With regard to my friend, Mr. Mitra's question, my answer is, possession is nine points of law. The British Government is administering Alwar, and we do not know why they are administering the State. Surely, the Maharaja of Alwar can, for his own convenience, ask the British Government to administer the affairs of his State, or his advisers in the shape of advice can issue commands which he dare not disobey, or finding his own position created by these advisers difficult, he might have given over charge of his administration to those who are now in charge of it. There have been several instances in other States. If you want such instances, I can go on citing them till this evening. Whatever may be the reason, it is just as well that this administration goes on. . . .

Mr. S. C. Mitra: What about Nabha?

Raja Bahadur G. Krishnamachariar: We are not concerned with a rambling discussion as to the State of the Indian princes, because for one thing we have no material, and for another thing it is entirely irrelevant. The whole question is whether this amendment "established by law" is appropriate. I say, Sir, what law,—administration established by law,—by the law which is passed in their own States. Then, I say, a ruler can pass a rule himself. . . .

An Honourable Member: Let him.

Raja Bahadur G. Krishnamachariar: What is the good of saying "let him". There is an administration working, there is an administration which the ruler has recognised, there is an administration which he allows it to be conducted by others,—what is the point in saying "let him"? But the fact that the administration is there and the fact that the administration has been brought into existence by the will of the ruler himself, is absolutely sufficient authority, and to use the word "law", when the law, so far as an Indian State is concerned, is just as authoritative when passed by a Legislature as the one issued under a *firman*. Consequently, I submit that this amendment is entirely useless, and I oppose it.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, when the Honourable the Leader of the Opposition started showing a certain amount of ardour for a phrase in the Indian Penal Code "Government established by law", I began to wonder why he spoke at all on a previous amendment which also was incidentally, if curiously, for the removal of a phrase borrowed bodily from the penal law relating to "disaffection". You cannot have it both ways. If you think that the Indian Penal Code is your legal bible and you should not tamper with the language that is in it, then all your original argument regarding the deletion of the "disaffection" phrase falls to the ground, and now assisted by the undoubtedly gifted wisdom and talents of the Leader of the Centre Party, a new aspect has been presented to us, the Raja Bahadur, following the line of the Leader of the Opposition. The question is: why should you call it administration established in any State in India, why not established by law? Surely, with all the experience that the Raja Bahadur undoubtedly has in an Indian State, I could not understand, whether he insists upon using the same phrase which is used in the Indian Penal Code for British India, for the Indian States. I cannot understand this, because

Raja Bahadur G. Krishnamachariar: I never said that the words "by law" should be there. I opposed the amendment by saying, don't have those words, because it will complicate the situation. I did not say, established by law.

Mr. C. S. Ranga Iyer: Then he opposed the Leader of the Opposition?

Raja Bahadur G. Krishnamachariar: I opposed the amendment. I am not concerned with the Leader of the Opposition.

Mr. C. S. Ranga Iyer: He threatened to summon Lord Dalhousie as a witness. I am glad he opposed the amendment, but when he threatened to summon Lord Dalhousie. I thought through the *medium* of Sir Alfred Lyall (Laughter) in his well known book which the Raja Bahadur used to get by heart in his younger years, "Rise and Expansion of British Dominion in India", the Raja Bahadur has turned the table on the Leader of the Opposition. The whole position is this. You cannot have that phrase as suggested in this amendment, because the Government established in British India is quite different from the Government established in the Indian States. The British Indian Government, as already pointed out by the Honourable the Law Member, is established

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by parliamentary Statute. The Governments in India of the Indian States have grown more or less by convention. As the Honourable the Political Secretary pointed out in his speech on the 4th February, if I remember the date aright, he said that the form of Government in one Indian State differs from the form of Government in another Indian State, but the form of Government in the Indian States differs from the form of Government in British India, as the former is a paternal, more or less, form of Government and with facilities for the subjects of approaching directly the ruling chief of the State concerned. So far as the distinction between British India and Indian States is concerned, I would ask the Honourable the Leader of the Opposition to study the history on that point. Once under the Indian Penal Code he said they were "Asiatic Power with independent States", and he said that that independent status is gone, and, therefore, why should we not describe their present status as Government as established by law? That independent status may have existed once upon a time, but from time to time the position of the States has changed according to the changing times; it has never become the same or is likely to become the same for a long time as that of British India. We all know how the change came. As for Lord Dalhousie's time, when the Raja Bahadur will summon him as a witness, I shall place my medium before him when his amendment comes which I hope to oppose. Lord Dalhousie said:

"Unless I believed the prosperity and the happiness of its inhabitants would be promoted by their being placed permanently under British rule, no other advantage which could arise out of the measure would move me to propose it."

"There has never been any doubt about the recognised principle"

—says Sir Alfred Lyall—

- "of public policy, based on long usage and tradition, that no Indian principality can pass to an adopted heir without the assent and confirmation of the paramount English Government."

Raja Bahadur G. Krishnamachariar: Is that a reference to the Rajah of Tanjore?

Mr. C. S. Ranga Iyer: I am coming to the Rajah of Tanjore when you move your amendment, I am coming to the King of Oudh when you move your amendment, and I shall discuss Lord Dalhousie's annexationist policy when the Honourable Member moves his amendment. I shall presently show how that policy has changed. It changed slowly in Lord Canning's time, this is how the change took place:

"It may be worth while to add here that this doctrine of lapse is now practically obsolete, having been superseded by the formal recognition, in Lord Canning's Governor Generalship, of the right of ruling chiefs, on the failure of heirs natural, to adopt successors according to the laws or customs of their religion, their race, or their family, so long as they are loyal to the crown and faithful to their engagements."

The emphasis lies on the last phrase, "so long as they are loyal to the crown and faithful to their engagements". This leads me to a question put by the Honourable the Leader of the Opposition. He said, is it this law, that law, common law, or some other law? My answer to that is, it is the law embodied in treaties and observed in practice. The

working of the treaties must be examined in the light of actual experience, and I do not know in what language the Leader of the Opposition would put that position. He cannot by any stretch of imagination call it "Government established by law". He said that he would like to get rid of these autocratic States. When he gets rid of these autocratic States, when he follows up the annexationist policy of Lord Dalhousie, abandoned by the British Government. . . .

Sir Abdur Rahim: I did not say that I would get rid of these States. I said generally that I believed in democracy and that I did not believe in autocracy. I did not suggest for a moment that I would get rid of the States.

Mr. C. S. Ranga Iyer: I am very glad that my Honourable friend has thrown some light on his own phrase get rid of "these autocratic States". That, I think, was the phrase he used. There was no occasion here to refer to "the autocratic States" if the Honourable the Leader of the Opposition was in love with the form of constitution that obtains in the Indian States. Without meaning any offence, the form that prevails in the Indian States is an autocratic form and probably he wants to change that form. But even that form has not been changed at present, and even if the form is changed, even if the rulers of States are by their own consent assimilated to the position of their liege and lord the King of England their own Emperor, and they become responsible rulers of Indian States with a responsible Government, even then there will be considerations in regard to treaty rights, in regard to the power of the Paramount Power. I wonder whether the Honourable the Leader of the Opposition has read the most authoritative document in regard to the Indian States, which is none other than the Butler Commission's report, —if he has read that authoritative document, he, at any rate, would not have stood up in this House and said, remove the present description of the States which is rather crude, because it is different from that attributed to British India and say that they should be levelled up to the position in British India and they should be described as "Government established by law". For, the Butler Commission's report says in its beautifully cryptic but extremely expressive phrase, "Paramountcy must be Paramount". If you recognise the Paramount Power, if you recognise in law the existence of the Paramount Authority and if you recognise the evolution that has taken place in the position of the States, and in the light of a statement made by Lord Reading on an historic occasion in regard to a premier Indian State in his capacity as Viceroy of India, a great legal authority himself, then he would have recognised that there is a distinction between the position of the States and the position of British India, and there is a distinction between the Paramount Power and the position of the Indian States. The Paramount Power has the right of interfering where interference is necessary, and that right of interference has not been given away. You cannot, therefore, say that the Government of an Indian State is Government established by law. It is a Government that has established itself there, and I shall tell you by way of an example how this kind of Government came to be established. I can give a very good illustration by referring to the State to which Mr. Gaya Prasad Singh referred, Mysore, but about which he did not care to

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throw light, as it is a well known story, but obviously as the Leader of the Opposition has forgotten this particular episode when he rose to speak, it is just as well to refresh his mind and the mind of many of us:

"An important addition has been made to list of these self-governing principalities by the revival of the State of Mysore in Southern India."

The phrase—self-governing principalities, the word "principality" incidentally reveals how incongruous was the argument of the Honourable the Leader of the Opposition when he wanted that the Honourable the Leader of the House should demolish his own argument by just using the phrase "Government established by law":

"The territory had been forcibly seized by Hyder Ali, reconquered from Tippoo Sultan by Lord Mornington when part of it was restored to the old Hindu dynasty, but in 1831 the Indian Government had been obliged to assume the administration and retained it for 50 years."

When actually the Indian Government had retained the administration of Mysore for 50 years, even then, though its position was more or less like that of a Province in India so far as administration by the British Officer through a British authority was concerned, but even then by no stretch of legal imagination or by no perversion of the law could the position of Mysore be described in legal language as Government established by law:

"In 1831, however, the State was reconstituted under the rule of the descendent of the ancient Hindu family from whom it had been taken nearly a century earlier under conditions that provided for the acknowledgment of British sovereignty and for the welfare of the Mysore people. These conditions have been faithfully observed and this just political action of the British Government was taken by all the native chiefs throughout India as a confirmation of the declared intention to uphold their territorial independence."

The last expression "territorial independence" is sufficient for my purpose. I need not on this occasion dwell on this, because I do not want to prolong the discussion. I want it to be cut short quickly, so that, instead of waiting in Delhi which is developing into a large Turkish Bath, we might go home early enough, but the Honourable the Leader of the Opposition must know and knows that there are occasions, circumstances under which the Paramount Power can interfere and does interfere with the administration of the Indian State and the occasion and the circumstances are absolutely different from any such occasion that one can visualise to oneself even in his widest dream in regard to the administration in British India. The distinction is not the historic distinction of Tweedledum and Tweedledee. It is a real genuine distinction, and, therefore, I hope the House will not listen to such argument as the Honourable the Leader of the Opposition placed before it, and if they threaten to press this to a division, reject it without any consideration whatever, but I hope they will have the sense not to press it to a division, because they are only playing with phrases which they in their cooler moments will think have no bearing to the circumstances and the facts that we are handling.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): We had a very interesting debate on a very simple issue. What I understood my friend, Mr. Lalchand Navalrai, meant has not been touched by any of the speakers up to this time. What my friend meant by this amendment is this. He wants to exclude all the administrations of those States where a constitution has not been granted to the States people and he wants only that this should be applicable to those States where a constitution has been granted by the rulers of the States, and, if I am not mistaken, what he meant by the words "established by the law" is that a law has been constituted granting a constitution to the people for the purpose of administering the State.

Mr. Lalchand Navalrai: You are to a large extent correct.

Mr. Muhammad Yamin Khan: His amendment had nothing whatsoever to do with the origin of the State, whether a particular dacoit came or whether a freebooter came or a Provincial Governor became the ruler. We are not concerned with that. Here we have got certain administrations, and my friend wants to make a distinction in those States and he says that this provision should be extended to those States where a constitution like the British Indian Constitution is prevailing, and he wants to exclude all those States where there is no constitution and they are ruled personally by an autocrat. The second underlying thing in his amendment to which he did not give expression to, but which was subsequently given expression to by interruptions by certain Members, was to the effect as to how are you going to recognise the administration of States which are not governed by the ruler, but by certain persons appointed by the Paramount Power like Alwar, Nabha and other States. Beyond these two points, we have nothing to do with other matters, such as when a power came into existence, whether it was legally constituted or illegally constituted, whether they are usurpers, and so on. On the question whether the House should accept this amendment, I may tell the House that I do not agree with my friend's amendment at all. He cannot have my support to the amendment as it has been narrowed down. I will give my reasoning, and I will point out the mistake under which my friend was labouring. My Honourable friend used the words which he found in the Indian Penal Code and which has led to this interesting talk, because, in the Indian Penal Code, we have got the words "established by law". As some Honourable Members have observed, up to 1857, there was no Government established by law in the ordinary sense of the expression. Whatever Statutes there may have been of the British Parliament, they could not be applicable to India under law, because those laws were made by a party who had no concern legally with India, because India was governed in the name of the Mughal Emperor and the East India Company was nothing more than a mere contractor on behalf of the Mughal Emperor. They were the administrators, and administrators in the name of another Power, and that Power was there; therefore, the British law could not be applicable to India. After 1858,

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Honourable Member himself rightly started by saying that this historical and academic question was apparently of no use for present purposes.

Mr. Muhammad Yamin Khan: Quite right, Sir, but I am simply meeting the arguments which you were pleased to allow other Honourable Members to indulge in, and, therefore, unless I meet those arguments, I cannot clear up this important issue. I am meeting the arguments of my learned friend, Sir Abdur Rahim. Whatever may be the position, previously, after 1858, all laws which were passed by the British Parliament are the laws for India whenever they refer to India.

Mr. S. C. Mitra: What about laws passed before—say in 1833 and 1843?

Mr. Muhammad Yamin Khan: They are not applicable to India unless they have been accepted by the proper authority later on, but after 1858 the Government of India passed to the Crown of England and all laws flow from the Crown. The constitutional position is that all laws are made by the King. No law can be made by anybody except by the King. I am talking of English Law; I am not talking of Hindu Law or Muslim Law; I am talking of English Law: no law can be made by anybody except by the King

Sir Muhammad Yakub: Is that the English Law?

Mr. Muhammad Yamin Khan: and laws may be made by the authority of the King, as the King has delegated his power to a certain body, his counsellors which have taken the shape of Parliament. The latter body can make laws and rules and regulations, but unless and until they get the assent of His Majesty the King-Emperor, they are not valid. In effect, that is only a sort of advice which is given by Parliament. Under the English Constitution, the King has got the power to dissolve Parliament at any time he likes.

Mr. N. M. Joshi (Nominated Non-Official): Very interesting indeed!

The Honourable Sir Brojendra Mitter: My Honourable friend may qualify it by saying "the King in Parliament".

Mr. Muhammad Yamin Khan: Now, Sir, in the case of a law made by the King in Parliament, it means that the King on the advice of Parliament has made that law. Without the King, the Parliament cannot enact any law, and unless such law gets the assent of the King, that law by Parliament has got no force and nobody will follow it. In the same sense, in the case of the Constitution relating to India, no law can be made by the Houses of Legislature until that is given sanction to by the King's representatives.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): But Parliament once beheaded the King.

Mr. Muhammad Yamin Khan: I would have expected a better interruption from my Honourable friend than this meaningless one. The King of England has granted a Constitution to the people of England and that has become the Constitution, and under that Constitution laws are made. In the same way, the rulers of the Indian States have got an

inherent power by virtue of their customary law or whatever my friend, Sir Abdur Rahim, may call it, or the common law of the State. My friend says—where is the common law, where is the customary law? I say, in the State there is a common law, a customary law by which the ruler of the State governs. Such common law may have originated a long time ago, but still if a particular State is following a particular kind of law, that law is the prevalent law and that law is the customary or common law of the State. That is the inheritance from the Constitution or the Government that is established in those States, and if those States are carrying on their administration by a particular kind of Government, then we can say that it is according to the law which is prevailing there, like the common law of the State which has established those Administrations in those particular States.

Mr. N. M. Joshi: Very clear, very clear indeed!

Mr. Muhammad Yamin Khan: Therefore, my friend's argument has got no bearing on this issue. There is the common law, there is the customary law. My friend, Mr. Lalechand Navalrai, may want that his argument should now come in, *viz.*, that this must apply only to those States which are following the principle of democracy on the British lines. I say, Sir, that India is India and we cannot expect that India should become Europe in a day or two (Hear, hear) or even in a decade or two decades. India will change by the time she achieves progress on British lines, but unless European education is diffused throughout India, you cannot say that the administration of those States is bad. There are many States which are carrying on their administration with the greatest efficiency although they have not based their Constitution on the principles of democracy, but such Indian State rulers are nevertheless paying the greatest heed to the progress of their subjects, and, therefore, it is not right and proper that they should be excluded, simply because they do not find their subjects sufficiently advanced to take up the responsibilities which they themselves are discharging for the good of their subjects. (Hear, hear) Sir, there are several States which have not got many of their people educated. It may be that the forefathers of the present rulers might have been responsible for not having brought in the blessings of education to their subjects, but you cannot punish a present enlightened ruler who is doing his best at present to educate and prepare his subjects for taking up civic responsibilities in the future. Therefore, the banning of that ruler and of that Administration is not right and proper. Therefore, I think the House cannot accept this argument in favour of the exclusion of States which have not granted a Constitution.

The second point which my Honourable friend wants concerns the Administrations of such States which have been set up by the Paramount Power. Now, he wants them to be excluded, but I cannot support that too, because, if the Paramount Power has set up an Administration in any particular State, it is because the ruler or his Administration was at fault. They did not possibly treat their subjects properly, and, if they did not treat their subjects properly and there arose grievances between the rulers and the ruled, then certainly the Paramount Power had to intervene. The intervention has never come, simply because there has been a grievance between two people who were rulers, but the Paramount Power

[Mr. Muhammad Yamin Khan.]

has always intervened whenever there has been reached a stage of antagonism between the rulers and the ruled. If the ruled were not satisfied with the ruler, then certainly it becomes the duty of the Paramount Power under the Constitution to supersede that ruler or his Administration by some other Administration. If there had been a democracy, the ministry would have been thrown out if the people were not satisfied with the present ministry and they would have outvoted such ministry and then the ministry would have been changed. But what would have happened in the case of an aristocratic Government where there could be no other change except through the intervention of the Paramount Power: and if the Paramount Power is doing its level best in order to safeguard the people who are the victims of the misrule of their rulers, then, I think, protection becomes necessary and must be granted to such subjects, and it must be extended to those Administrations which have been set up by the Paramount Power. Therefore, on this point also, I cannot support my Honourable friend, Mr. Lalchand Navalrai:

Mr. Lalchand Navalrai: I never expected you to support me.

Mr. Muhammad Yamin Khan: Whether you expected me to support you or not, that is a different matter. With regard to his difficulty about finding a word in the Indian Penal Code, I have explained that it has no bearing, and, by the addition of the words "established by law", it will not improve this matter. Therefore, I hope that this amendment will be rejected altogether.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): Sir, I am unable to support the amendment moved by my Honourable friend, Mr. Lalchand Navalrai. He wants to insert the words "by law" after the word "established". I hold that the insertion of the words "by law" is absolutely inappropriate in this clause. I also hold that it is redundant and unnecessary, and if the interpretation of the amendment of my Honourable friend, Mr. Lalchand Navalrai, as given by my Honourable friend, Mr. Muhammad Yamin Khan, is to be accepted, then this amendment becomes absolutely out of place. Sir, the word "administration" occurs in a number of places in this Bill. I am not quite sure whether the word "administration" or "administrations", wherever they occur, are quite appropriate, but I do not propose to go into the question of the proper use of the word "administration" in the discussion on this amendment. I hope I shall have an opportunity of making a few remarks on the third reading about the whole of this Bill, and I shall then discuss the question whether the words "administration" or "administrations" used in this Bill are proper or not.

This Bill deals with Governments or Administrations which exist at the time. This Bill does not seek to go into the origin of these Governments or Administrations. This Bill has nothing whatever to do as to how a particular State or States came into existence. This Bill seeks to establish and maintain certain relations with States and Administrations that are in existence, and, consequently, it is absolutely unnecessary and inappropriate to add any words which would in any way carry the mind to

the origin of those Administrations or States. Now, what is the meaning of the phrase "established law"? I think if we understand the words "established" and "law" in their fuller sense, then "established by law", "established" and "in existence" become identical. "Established" does not necessarily mean "originated"; "established" means "exists". And what is the meaning of "law"? Law is an expression of the opinion of the people. Law means nothing more than what is known as the expression of opinion of a people. When the opinion of the people is expressed in a particular formula or form, that is called "law". Therefore, if we understand properly what is meant by "established by law", there will be no difference whatever between "established by law" and any Government which is existing and which is continuing and which is being maintained and obeyed by the people. "Established by law" means a Government which administers the country, which makes laws, which keeps order and peace, when the laws which it makes are obeyed by the people. That Government is a Government which is established by law. In this sense, whatever the origin of the British Government of India may be, the British Government of India must be taken to be a Government established by law. The same applies to the Governments of His Highness the Maharaja of Bikaner or Jodhpur. However these States might have originated, we must hold that these States are for all practical purposes established by law and we should not take these words in their theoretical sense. And our Government must deal with these States as States established by law. Therefore, taking this as the meaning of the phrase "established by law", I think it is absolutely unnecessary to add the words "by law" there. As this Bill deals with the Governments which are in existence in India at the present moment and which have relations with His Majesty's Government in India, the words used in the Bill "towards the administration established in any State in India" are quite sufficient. When a State is recognised, the established Administration means the Government of that State. Consequently, whatever form of Government obtains in any recognised State in India, that administration is the administration with which we have dealings which are under the suzerainty of His Majesty the King-Emperor. My Honourable friend, Mr. Muhammad Yamin Khan, suggested that the meaning of the words "by law" is "administration established in any State in India" which has got a Constitution the word "constitution," meaning certain rights given to the public or to the subjects of that State and certain laws which limit the will of the Sovereign of that State. This certainly is not intended by the words "by law". He may ingeniously try to interpret it that way, but the words "by law" cannot bear the interpretation that the State is not only established, but which has got a certain Constitution. Constitution or no Constitution, the State is there. It exists there. Her Majesty's Government or the Government of India have relations with that State, and this Bill only seeks that the relations of the Government of India with that State should continue in peace and be regulated in such a way that the Government of India or the Suzerain Government may be able to discharge its duties towards that State which has been recognised by Her Majesty's Government.

I do not want to say anything about the question of Paramountcy because I hold that that question is absolutely irrelevant to the issue raised by this amendment. The question of Paramountcy stands by itself,

[Diwan Bahadur Harbilas Sarda.]

and if I have an opportunity of speaking on the third reading of the Bill, I hope to explain how the question of Paramountcy is not only relevant, but is most intimately connected with this Bill. But that is a matter which, I think, is irrelevant at the present moment, and, therefore, I do not wish to say anything on it now.

The Honourable Sir Harry Haig (Home Member): Sir, we have listened this morning to some very interesting lectures on law, on Constitutions and on history, and had I not been oppressed by a certain feeling that we have before us legislative business, and indeed a great deal of legislative business, I should have passed a very pleasant morning. But I must endeavour to bring my mind back to the amendment on this Bill which we are discussing, and I should like to say, to begin with, that I find myself very much in sympathy with my Honourable friend, Mr. Gava Prasad Singh, who explained that he found considerable difficulty in understanding what this amendment really meant. I share that difficulty, and I have a suspicion, as I listened to some of the speeches made on the opposite side, that many Honourable Members also share that difficulty, not excluding the Honourable Member who moved the amendment.

Mr. Lalchand Navalrai: I have no difficulty. It is quite plain to me.

The Honourable Sir Harry Haig: There is one interpretation that might be placed on this amendment. It may be held that we have not given a sufficiently clear definition of the States to whom this clause is intended to apply, that when we say "Administrations established in certain States", that that is not clear enough and it is necessary to add certain words to make it clear. Our view, on the contrary, is that the words "Administrations established in any State in India" are perfectly clear and that by adding the words "by law" we should be importing some uncertainty into what is at the moment plain. The ordinary meaning of the expression "established by law" is, I think, very clearly illustrated in the case of the Government of British India which is established by a Government of India Act. One view is that Government established by law is only a Government which is established by a definite piece of legislation. Another view advanced by my Honourable friend, the Leader of the Opposition, is that Governments are established by something which he calls "customary law" and I suppose he argues that any Government that has been in existence for a certain time eventually becomes a Government established by law. If that is the position, the addition of the words "by law" really does no good at all. On the other hand, if the position which we take is correct, the addition of these words is mischievous, because it excludes in an arbitrary way a large number of administrations which we want to include. That is one of the possible meanings to be attached to this amendment. The other is the meaning which I fancy the Honourable the Mover himself desires to attach. He does not want that this protection should be extended to all the States in India. He wishes to pick out certain States which in his view are more commendable than others and to restrict that protection to those. Apparently he wishes to restrict the protection to States which have, is it a written Constitution? That is one interpretation which has been put on the amendment—a written Constitution. Therefore, if, for

instance, there was a Government established like the British Government which has no written Constitution, then that would be excluded from these provisions. It seems to me difficult to justify any such differentiation. Or it may be that my Honourable friend has in mind that only those administrations should receive protection whose administration is conducted in accordance with certain internal laws framed by the ruler. Well, Sir, if that is the meaning, I am informed by my Honourable friend, the Political Secretary, that all the States have some body of law; naturally, in more advanced and in more primitive States, there will be considerable differences as to the extent of that body of law, but there is a body of law.

Mr. Lalchand Navarai: What about *Firmans*? They are no law. They are merely orders.

The Honourable Sir Harry Haig: It is certainly a law. We are now getting into questions of what is the legislative authority, but that does not affect the question whether particular provisions are or are not law. It is quite obvious that if the Honourable Member is seeking to attribute to this amendment a meaning of that sort, then it would introduce a most inextricable confusion into the law. Who could say what particular amount of law could be described as established by law? I suggest, Sir, that whichever way we look at this amendment, it is either mischievous or superfluous, and I am strongly opposed to it (Applause.)

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in sub-clause (a) (j) of clause 3 of the Bill, after the word 'established' the words 'by law' be inserted."

The motion was negatived.

Mr. B. V. Jadhav: Sir, I beg to move:

"That in clause 3 of the Bill, in the proposed *Explanation 5*, the words 'and without attempting to excite hatred, contempt or disaffection' be omitted."

Sir, this *Explanation 5* has been added in the Select Committee, and it runs thus:

"*Explanation 5.*—Statements of fact made without malicious intention and without attempting to excite hatred, contempt or disaffection shall not be deemed to be of the nature described in clause (j) of this sub-section."

When actions of several States are criticised in the press or on the platform, the intention generally is to expose the maladministration and thus to induce the States to reform their ways. Nobody wants to encourage newspapers who want to blackmail the States or who want to take unfair advantage, but the actions of certain Durbars are such that even a plain statement of facts may amount to the commission of the offence. Statements made without malicious intention—that is all right. But where does the onus of proof lie? I think the wording is such that it will lie upon the accused to show that he was not actuated by any malicious motive. In the same way, there are the words "without attempting to excite hatred, contempt or disaffection". This is even more difficult

[Mr. B. V. Jadhav.]

than to prove that there was no malicious intention. Even a bare statement of facts will amount to an attempt. Some of the actions of India States are such that their bare statement is likely to excite hatred against the rulers, there is also contempt and disaffection towards them, for, here the commission of the offence is not in actually producing the result but without attempting to excite. The prosecution may say that the editor of a certain newspaper has published a certain fact and the publication of that fact itself is an attempt to excite, etc. Papers have been put in our hands in which certain allegations have been made against certain princes. I am not going to divulge any of those things here, but if those facts are published in newspapers when this *Explanation* is adopted by this House, I think the bare publication of the facts is sure, even if it be a fact, to be held as attempting to excite hatred, contempt or disaffection towards the person of the ruler. I, therefore, place before this House that this is a very dangerous provision, because it will stifle not merely legitimate criticism, but even statement of fact apart from criticisms, and, therefore, it is likely to be used very harshly against the publishers of even well meaning newspapers. The onus even in this case will be upon the accused to prove that it was not an attempt, and it is very difficult to prove that it is not an attempt because attempt does not require even intention. Therefore, I hold that at all events the words "and without attempting to excite hatred, contempt or disaffection" should be omitted and that the words "Statements of fact made without malicious intention" should remain in this *Explanation*. By the omission of the words "without attempting to excite hatred, etc." the object of the *Explanation* is not defeated, but it will save a great deal of harm to the newspapers. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That in clause 3 of the Bill, in the proposed *Explanation* 5, the words 'and without attempting to excite hatred, contempt or disaffection' be omitted."

Mr. Muhammad Muazzam Sahib Bahadur (North Madras: Muhammadan): Sir, the effect of the amendment proposed by my Honourable friend, Mr. Jadhav, will be entirely to nullify the object of the *Explanation*. As the *Explanation* reads, statements of fact without malicious intention shall not be deemed to be of the nature described in clause (j). There is also something in addition to that, and that is that statements of fact made without attempting to excite hatred, contempt or disaffection are excluded from the mischief of the clause. That is to say, there are two ingredients. One is that these statements of fact should be made without malicious intention, and the other is that they should be made without attempting to excite hatred, contempt or disaffection. As I understood my Honourable friend, Mr. Jadhav, I think he meant to say that the moment you make a statement of fact without malicious intention, there is an attempt—the very publication of a statement of that nature amounts to an attempt to excite hatred, contempt or disaffection. Sir, I entirely disagree; it means nothing of the kind. I may make a perfectly honest statement of fact and I may also at the same time attempt to excite

hatred, contempt or disaffection, or I may not do the latter. It all depends upon the way I put this statement of fact in print. It may be that I make comments here and there, that I exaggerate the position in a way which is not warranted by the facts, there are ever so many ways in which I may attempt to excite hatred or contempt, because it is just possible that I may not honestly state facts as they have occurred on a particular occasion. If I make an honest statement of facts, I do not come under this sub-section, but if there is this ingredient of an attempt on my part, then, as I make that statement of fact to excite hatred, etc., I will be liable, and I think those words have been added advisedly, otherwise the scope of the *Explanation*, as I said, would be altogether nullified.

Mr. Lalchand Navalrai: Upon whom will the burden of proof be?

Mr. Muhammad Muazzam Sahib Bahadur: My answer to that is that the Courts will determine from the statements of fact as they appear.

Mr. B. V. Jadhav: There are no Courts.

Mr. Muhammad Muazzam Sahib Bahadur: In applying this *Explanation*, the District Magistrate will be guided by the fact whether, from a reading of the statement of facts, it is clear that there is no malicious intention and that there is no attempt on the part of the writer to excite hatred, etc. In coming to that conclusion, he will be guided by the ordinary meaning which the words used by the writer convey. That is my answer to my Honourable friend.

Mr. Lalchand Navalrai: The *Explanation* puts the burden on the accused.

The Honourable Sir Brojendra Mitter: Sir, it is appreciated by Honourable Members that clause 3 is taken from the sedition section of the Penal Code, section 124A. In that section, there are certain *Explanations*; for instance, *bonâ fide* comments expressing disapprobation of the measures of Government do not constitute sedition. Again, *bonâ fide* comments expressing disapprobation of administrative or other acts of Government do not amount to sedition. Sir Cowasji Jehangir, at the Simla debate, drew the attention of Government to the fact that a publication might not come within the category of comments either of any measures of Government or of any administrative acts of Government; nevertheless, if it be a *bonâ fide* recital of facts, it ought to be excluded from sedition. That was his suggestion. Following up that suggestion, we have introduced a new *Explanation*, which is all in favour of the newspaper. We have exempted *bonâ fide* recitals of fact. But in order that a recital of facts may be *bonâ fide*, it must not be malicious and it must not excite hatred, contempt or disaffection. That is the meaning of this *Explanation*. We are exempting statements of fact made without malicious intention and without attempting to excite hatred, contempt or disaffection. Sir, this is quite reasonable.

Sir Abdur Rahim: May I ask my Honourable friend if that is the meaning of *bonâ fide*?

The Honourable Sir Brojendra Mitter: I am using the term *bonâ fide* in the ordinary popular sense for the sake of brevity. The gist of it all is this. As in the sedition section *bonâ fide* comments are permitted, similarly we say that a *bonâ fide* recital of facts will be permitted. That is the whole idea underlying this clause and this *Explanation*. Turning to the *Explanations* in section 124A, you will find that the second *Explanation* says:

"Comments expressing disapprobation of the measures of the Government with a view to obtain their alteration by lawful means, without exciting or attempting to excite hatred, contempt or disaffection, do not constitute an offence under this section."

Similarly, *Explanation* 3 says:

"Comments expressing disapprobation of the administrative or other action of the Government without exciting or attempting to excite hatred, contempt or disaffection do not constitute an offence under this section."

Therefore, whenever you are protecting *bonâ fide* action, either in the way of comment or in the way of recital of facts, that must
 1 P.M. be without an attempt to excite hatred, contempt or disaffection. The *Explanation* is in line with the protection given by the Penal Code. If you take out these words, what will be the result? The result will be that a man may attempt in his recital of facts, say, by prominent headlines or stressing certain facts or underlining certain facts, to excite feelings of hatred, contempt or disaffection; nevertheless, he will be protected; but we do not want to extend the protection to him. We only want to give protection to *bonâ fide* recital of facts and that *bonâ fide* recital of facts must be free from malice and from any attempt to excite feelings of hatred, contempt or disaffection. The amendment would defeat the purpose of the clause, and I oppose it.

Sir Cowasji Jehangir: Mr. President, I do not want to repeat what I have said before this House on two different occasions, but since an amendment has been moved, I consider it my duty to support it. The one fundamental mistake that Government appear to me to make is that they rely upon law and upon Statutes framed for British India and not for the Indian States. The Penal Code was intended for British India and not for the Indian States. The circumstances in British India are totally different to the circumstances in Indian States. I make bold to say that any exposure of maladministration in British India by merely relating the facts would most possibly not excite hatred or contempt. But in the majority of cases, a mere relation or statement of facts of what occurs in some Indian States will excite contempt or hatred. That is the distinction. My Honourable friend, the Law Member, has referred us to two *Explanations* in the Penal Code; but those *Explanations* were drafted and passed for British India. I have been complaining that my Honourable friends place the administration of British India on the same level as the administration of the Indian States: it is not fair to themselves; it is not fair to us. If I relate in this House a statement of facts of some of the occurrences in Indian States, I am confident that both my Honourable friends opposite will say that I did attempt to create hatred and contempt: I cannot help it; the mere statement of facts is such. Such statements of fact it would be very difficult to find in British India. It would be very very rare where a British Indian official, English or Indian, would

be guilty of such acts. That is the difference and that is the distinction. Now, look at the *Explanation*. My Honourable friend, the Law Member, used the words *bona fide*. Where are the words "good faith" or the words *bona fide* in this clause? What does he say to that?

The Honourable Sir Brojendra Mitter: Absence of malicious intention; that is the gist.

Sir Cowasji Jehangir: Let us read it. Good faith is defined in the Penal Code, as my Honourable friend, Sir Abdur Rahim, reminds me:

"Nothing is said to be done or believed in 'good faith' which is done or believed without due care and attention."

My point is that if this new *Explanation* referred to British India, I might not have objection to it. But this *Explanation*, when applied to conditions prevailing in Indian States, is of not much protection to the Press. You say "statements of fact made without malicious intention and without attempting to excite hatred or contempt". You do not say that those statements of fact should be *bona fide*. A *bona fide* statement of facts under this *Explanation* would fall within the mischief of this clause because, the statement of facts would be of such a character that it would be impossible not to excite hatred or contempt. What has my Honourable friend got to say to that?

The Honourable Sir Brojendra Mitter: The words in the *Explanation* are "without malicious intention". Now, malice has got a technical meaning in law. It means a wrongful act done intentionally without just cause or excuse; the reverse of good faith. If you do a thing in good faith and without exciting feelings of hatred, contempt or disaffection, for instance, with the idea of getting legitimate grievances removed, then you would be protected. But if the recital of facts be such that there is an attempt to excite feelings of hatred, contempt or disaffection, then protection will not be available. It is only when the attempt is to get a legitimate grievance removed that protection will be extended—not otherwise.

Sir Cowasji Jehangir: If I may say so, what the Honourable the Law Member has been saying supports me rather than breaking down my argument. The words are "without malicious intention and without attempting to excite hatred, contempt or disaffection". My complaint is against the words "without attempting to excite hatred, contempt or disaffection", which I say in most cases will not be possible, viewing the circumstances that prevail in Indian States today. Regarding the amendment moved by Mr. Jadhav to omit these qualifications, I would be perfectly prepared to allow *bona fide* statements of facts if a redraft is made omitting the words we complain about, and including some words such as *bona fide* statement of facts or statement of facts in good faith. That is what I have been pleading for, because I feel fairly confident that, however honest the intentions of a newspaper may be, they will fall within the mischief of this clause. It may be that Government will not take action; but the discretion is left with them. I want it made perfectly clear in the Act itself, I know that, the contention has always been that Government will not misuse these powers given to them; that they will judge for themselves whether the statement of facts is such as will create hatred or contempt or is deliberately

[Sir Cowasji Jehangir.]

meant to create hatred or contempt, or as to whether the statements of facts are *bona fide* and in good faith in order to remedy grievances. That may be so, but the power is given to the Government, to the executive authority, and a mere statement of facts may come within the mischief of this clause, however much they may be made in good faith. That is my contention, and I am prepared to support this amendment, unless a redraft is supplied to us in order to cover the points I have raised. That is why I said yesterday that the *Explanation* does not meet with our objection. If it had met us completely, believe me, Sir, I would have taken another line yesterday. It does not meet us; it practically leaves us where we were without the *Explanation*.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhamadan Urban): Sir, the position is very simple as I understand this *Explanation*. This *Explanation* is intended for the benefit of those who want to bring out an absolute statement of facts with regard to a particular State. If you want to come under the *Explanation*, and if you want to have the benefit of this *Explanation*, you have to prove two things, first that, you had no malicious intention, and, secondly, that what you wrote did not amount to an attempt to excite hatred or disaffection. I grant that you can prove the one regarding malicious intention provided you are able to prove that you made the statement with the best of motives to bring about a change in the methods of administration. But how are you going to prove that your statement of facts does not amount to an attempt to excite hatred or disaffection? I want the Honourable the Law Member to realise that, whether a statement of fact is an attempt to excite hatred or disaffection or not does not depend upon the intention of the person who makes the statement of facts. There are two ingredients you have fixed here to get this man out of the penalties of this clause. One is malicious intention. I can prove if I were editing a paper that I had no malicious intention and that my statement of facts was made merely because I wanted the authorities of the State concerned to know that certain things were going wrong in the State in order that they may correct the situation there. But how am I to prove that this does not amount to an attempt to create hatred or disaffection? It is a thing outside my volition. I have nothing to do with it. People may be excited without my intending to excite them. Is there the element of intention in the attempt to excite hatred or disaffection? That is the point?

Mr. Gaya Prasad Singh: On whom will the onus lie?

Diwan Bahadur A. Ramaswami Mudaliar: The onus will lie on the accused to prove these two things. Here it is not a question of prosecution, it is a question of forfeiture. If he wants to get the benefit of the *Explanation*, he has to prove two things, first, that he had no malicious intention, and, secondly, that in what he wrote there was no attempt to excite hatred or disaffection. Now, how is he to prove it? The onus of proof lies on the other side, that, as a matter of fact, it has caused hatred or contempt. Well, if that is so, how is the accused to get the benefit of this *Explanation* at all? Circumstances in many States are such that a bare recital of the facts is bound to cause hatred or contempt. That is the difficulty which some of us feel. I accept the definition which the Law Member has given, but then the accused

should come under the benefit of this *Explanation*. I think it is a perfectly simple proposition. If we can have an amendment which could bring into effect the intention which the Government have got, then we will be satisfied. But as it is at present, the accused person does not get the benefit of the *Explanation* which the Select Committee thought they were securing for him by adding this *Explanation*.

The Honourable Sir Brojendra Mitter: May I say one word, Sir? The Diwan Bahadur asked how is a man to prove that he did not attempt to excite disaffection or hatred? Attempt is the direct movement towards commission after preparation has been made. . . .

An Honourable Member: That attempt is different altogether.

The Honourable Sir Brojendra Mitter: An attempt to commit a crime must be something more than a mere preparation. . . .

Mr. President (The Honourable Sir Shanmukham Chetty): Is that an overt act following a statement of fact?

The Honourable Sir Brojendra Mitter: The overt act is the publication. The publication may be in such manner that it amounts to an attempt to excite hatred or disaffection. The narration of facts in a particular sequence may be such an attempt; in a different sequence it may not be an attempt. An attempt to commit a crime must be something more than a mere preparation. Acts remotely leading towards commission of the offence are not to be considered as attempts to commit it, but acts immediately connected with it are. That being so, it is not difficult for a man to prove what he did, did not amount to an attempt. . . .

Sir Cowasji Jehangir: Has the Honourable Member got a dictionary, or what is he reading from?

The Honourable Sir Brojendra Mitter: From a commentary on the Indian Penal Code.

Sir Cowasji Jehangir: With the greatest respect, if he will leave these books alone, we will get on faster.

The Honourable Sir Brojendra Mitter: I cannot leave these books alone. We are dealing with law. These are words used not in the popular sense; each word has a definite meaning in law, and I must tell the House what that meaning is.

Now, the point which the Diwan Bahadur made was this, that it would be impossible for a man to prove that what he was doing was not an attempt to create hatred or contempt. I say it need not be difficult for anybody to prove that, because attempt is something definite, a definite action on the part of the accused himself, and he surely ought to be able to prove that what he did, did not amount to an attempt. That is all I have to say.

Sir Abdur Rahim: Sir, I want to say a few words. The position I took up in the Select Committee was that the whole of this clause was bad and that it ought to go, and I did not try to improve the wording of it. But the amendment is that a *bond fide* statement of facts should

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be protected, even though those facts were such as might tend to bring certain administration into hatred or contempt. That was the point, I believe, which was made by Sir Cowasji Jehangir, and the Government wanted to accept the position. They wanted to devise this *Explanation* in order to meet the point raised by my friend; that is to say, to exempt from punishment or from the penalty described in clause 3, although the effect of the publication of those statements might bring into hatred or contempt certain States. But if the *Explanation* remains, as it is now drafted, then, as pointed out by my friend, the Diwan Bahadur, it would surely mean that the onus is shifted on the accused person or the owner or proprietor of a press to show that if these words, although perfectly true and *bona fide*, and contain merely a statement of facts and nothing more, excite hatred and contempt although there is no malicious intention—the intention may have been perfectly *bona fide*,—then the *Explanation* does not protect the proprietor of the press. That is the difficulty.

The Honourable Sir Brojendra Mitter: If the Honourable Member will pardon me, attempt has reference to a man's own action; it has no reference to the effect. That is the mistake that the Honourable Member is making.

Sir Abdur Rahim: I understand the position, but the case that is made on this side is that there may be facts in connection with the administration of a State a mere recital of which would bring into hatred and contempt the administration of that State, and that ought to be protected. I understand that is the position which was accepted by the Government. If that is so, where is the necessity of adding these words? By adding these words, you are throwing the burden on the proprietor of the press, and those words, however *bona fide*, however correct the statements may be, will not exempt the press from forfeiture. That is the difficulty.

The Honourable Sir Brojendra Mitter: The Honourable Member is now not objecting to "attempt", he is objecting to "tend".

Sir Abdur Rahim: We are objecting to the words "attempting to bring into hatred or contempt or to excite disaffection". If you simply said, "*bona fide* statements of fact made without any malicious intention", that would meet the case of my Honourable friend, Sir Cowasji Jehangir. If you bring in the other words, then you are laying an onus on the accused person or the proprietor of the press to prove that by those words he did not mean to excite hatred and contempt, and that, as my Honourable friend must know, is a very difficult position for a newspaper proprietor to meet, because many people write to the newspapers, and no proprietor of any paper can really be responsible for the effect of every word that appears in the paper. Therefore, there is a great deal of difference between the *Explanation* which was sought for by my Honourable friend and the *Explanation* as is now given.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. S. O. Sen (Bengal National Chamber of Commerce: Indian Commerce): As I was one of the persons who put in this amendment, it is necessary that I should say a few words on this subject. The previous *Explanations* which are in this clause deal with a different class of subject, namely, discussions and comments, but now we have come to another part, namely, telling the truth. I take it that even the Home Member will consider that it is everybody's right to speak the truth, though in this Government we are not allowed to say so. In Bengal, they have the courage to say that you will not speak the truth and we debar you from speaking the truth upon certain matters, but here, although the Honourable the Home Member concedes that you should speak the truth, he has hedged it with so many safeguards that it is not possible for us to know where we are. With this object in view and to minimise the effect of the various safeguards, I propose this amendment. Now, let us see what the clause says. *Explanation 5* says:

"Statements of fact made without malicious intention and without attempting to excite hatred, contempt or disaffection shall not be deemed to be of the nature described in clause (j) of this sub-section."

So far, up to the words "malicious intention", we say that, if I intended to use the truth in a particular way, I may be liable. That has nothing to do with the truth, but by the particular use I make of the truth I make myself liable, but the clause goes on "without attempting to do certain things". How is it possible for any man to tell the truth unless that truth recoils against the person in respect of whom I tell the truth? No endeavour and no attempt on my part is necessary, but the effect is the same. For instance, so far as the Indian prince is concerned, if I say that on such and such a day he took away forcibly a woman from the lawful custody of her husband and on such and such a night he did this thing and that thing and that, for the purpose of doing that thing, he committed murder, supposing I say all these authentic facts, what would they bring into the mind of the people in the territory of the prince or in British India? Will they have any great love for the man or will they have hatred for the man? Therefore, by telling the truth, without any overt act being done, you will be bringing that prince into hatred or contempt. Is that reason: is that logic or is that consistent with morality? The words are "without attempting to excite". How is it possible to avoid exciting contempt? The mere repetition of these words with a view to formulating the charges against the man would be an attempt on my part to excite disaffection. I say that this is an attempt on my part of the Legislature and the Government to prevent people from telling the truth. If that is the intention of the Government, let them say so in plain words as they did in Bengal. They said we will not allow you to tell the truth however laudable the object may be, but here apparently the Government of India have not got that courage, and, therefore, they want to penalise the telling of the truth by putting forth all these safeguards. I think if they want to put in the safeguards, the words "with malicious intention" are sufficient. So far as the intention is concerned, as is well known, the intention is proved by the natural effect the words will have. If, as I say, as I said before, the facts about a particular prince are brought out and facts and figures are given, then naturally they will imply

[Mr. S. C. Sen.]

disaffection and hatred. You cannot avoid that, but if you want to take things from the moral point of view, you will see that you are perfectly justified in putting in a safeguard in the way as you have done here by the words "malicious intention". If you can show that I have used the words with malicious intention, that ought to be sufficient for the purpose of the Government. With these words, I support the amendment.

Mr. S. O. Mitra: Government have gone a good deal in accepting this *Explanation*, and I hope they will have the grace to accept this amendment also when they will clearly understand that we do not demand much by this amendment. In the press something may come out and it could be proved that it was written not only without any malicious intention, but with the best of intentions. A man gives publicity to certain things, but it may not be the intention of the publisher to bring the State into hatred or contempt. The purpose of the publisher may be to do good to the ruler himself, for the purpose of bringing him round to a proper state of mind. Even then the writer will come under the mischief of this clause. I think it is not the intention of Government even to punish such a man. A few days ago, we received some printed papers where there was an allegation against a neighbouring Indian prince taking away a girl from her lawful guardianship. By publishing that fact, a newspaper editor may, with the best of intentions, try to bring the ruler to his senses, so that he may not commit such acts. I think such statements should not come under the purview of this clause. It must be admitted that with a view to improving the condition of things in a State, criticism is necessary. Now, if not only fair criticism inspired by the sole object of bringing about improvements in the standard of administration, but even a truthful statement of facts presented with the best of intentions in order to bring round a ruler to his senses becomes punishable, then I think the purpose of this legislation will not be served and Government should not help, by enacting such laws, in protecting unnecessarily the States concerned from such statements being published about them. I hope, after careful consideration, the Government will see that this is a very reasonable amendment and that much will not be lost, but if they cannot accede to all these reasonable amendments from this side of the House, then, Sir, that will merely show the perverseness of the Government because of the feeling of the strength of their votes in this House.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Mr. President, the extent to which the law of sedition is being extended by the Government shows that that law is to include all that is not flattery. By his amendment is meant that a fair statement of facts, without any malicious intention, should be allowed to be put in a publication, and if the amendment is not accepted, it will mean that almost anything which is even a bare statement of facts shall be attempted to be interpreted as having been made in an attempt to create disaffection and other things of the kind. I for one feel that it is not wise that that step should be taken. No doubt we have such a provision in our own enactments, but conditions in British India are quite different. If a thing is not allowed to be published in the Press, we have a right in the Legislature to bring those grievances to the attention of the Government and the authorities concerned. But what about the States? There are no such Legislatures there, there are no means of bringing grievances to the attention of the

authorities in the Indian States or other things which may be happening within those States and even where the ruler may have a good intention, unless it is brought to his notice that certain grievances exist which he may be willing even to remedy, what can he do, and it will be impossible for him to do anything. In the same way, it will be impossible for the authorities in British India, viz., the Political Department, to interfere in a State unless things are brought to their notice and attention as to what is wrong there and that cannot be done unless a free expression of opinion is allowed to be ventilated in the Press and fair play is allowed to operate, without, of course, any malicious intention. Of course if there proves to be a malicious intention, by all means punish that, but where there is no malicious intention, we must ask that things should be reproduced as the facts stand. We have been seeing lately, and not without some good reasons, things brought to our knowledge which happened in some of the States. I need not mention any individual State, because, as far as my own experience is concerned, that is in no way unfavourable to the princes; but still there are in certain States things which exist which we find are not what they ought to be. We heard recently in this very House of the case of a State which borrowed 25 lakhs from the Government of India, and, in the same year, paid back as much as 50 lakhs to the Government of India,—and how was that money obtained? That is common knowledge and everybody knows, because pamphlets were supplied to us and they tell very harrowing tales indeed. Now, supposing such things are published in the Press, it will be quite open to the Magistrate to interpret it in this way that it is an attempt to create disaffection. I would, therefore, urge upon the Government to be fair-minded and to give a chance to the public to place their grievances before both their rulers and before the Government of India in the Political Department, as a result of marked acts of injustice done by their officials or ministers, by way of ventilating their grievances in the Press; and if that is allowed, a much more happier state of things will come into being. I would, therefore, urge upon the Government that they may be pleased to accept this amendment.

The Honourable Sir Harry Haig: Sir, I have little to add to the exposition of our case which has already been given by my Honourable colleague, the Law Member, nor have I any expectation of being able to change the views of my Honourable friend, Sir Cowasji Jehangir. We have had this discussion before, and we still remain each of us of the same opinion. My Honourable friend, Sir Cowasji Jehangir, said that the circumstances in the States are different to the circumstances in British India, and, therefore, we should make some change in the law applicable to them. My answer is that this *Explanation* does make a change. It does not reproduce the law in existence in British India,—it goes much wider. In British India, as I understand the matter, it is no defence to a charge of sedition that the intention of the accused was not to produce a certain effect. The question is whether it *did* produce a certain effect. Now, the whole object of our *Explanation* is to eliminate the question of the effect produced. We do not say that it is necessary for the defendant in this case to show that a certain effect was not produced: we say he must show that his intention was not malicious and that he was not attempting to produce certain results. In both cases the House will recognize that those are acts of his and not effects produced by his acts, and that I think is the really important point. Now, Sir, it has been

[Sir Harry Haig.]

said that a narration of facts may be of such a kind that it is inevitable that it will produce feelings of hatred or contempt, and so on. My answer is that if that narration of facts is of a colourless kind, then it will be a reasonable presumption that the writer was not attempting to produce these feelings; but, as everybody knows, facts, even facts, can be narrated in very different ways. Facts may be narrated in a calm, impartial manner, and they can be presented in a very exciting manner; and it is only when they are presented in an exciting manner that it will be reasonable for the Court to conclude that the attempt was to cause that excitement. Sir, I oppose the amendment.

Mr. President (The Honourable Sir Shammukham Chetty): The question is:

"That in clause 3 of the Bill, in the proposed *Explanation 5*, the words 'and without attempting to excite hatred, contempt or disaffection' be omitted."

The Assembly divided.

AYES—27.

Abdul Matin Chaudhury, Mr.
Abdur Rahim, Sir.
Azhar Ali, Mr. Muhammad.
Bhuput Singh, Mr.
Das, Mr. B.
Dutt, Mr. Amar Nath.
Isra, Chaudhri.
Jadhav, Mr. B. V.
Jenangir, Sir Cowasji.
Jog, Mr. S. G.
Joshi, Mr. N. M.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Mitra, Mr. S. C.
Mudaliar, Diwan Bahadur A
Ramaswami.

Murtuza Saheb Bahadur, Maulvi
Sayyid.
Neogy, Mr. K. C.
Parma Nand, Bhai.
Patil, Rao Bahadur B. L.
Reddi, Mr. P. G.
Reddi, Mr. T. N. Ramakrishna.
Sen, Mr. S. C.
Shaice Daoodi, Maulvi Muhammad.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Thampan, Mr. K. P.
Uppi Saheb Bahadur, Mr.

NOES—49.

Abdul Aziz, Khan Bahadur Mian.
Ahmad Nawaz Khan, Major Nawab.
Anklesaria, Mr. N. N.
Bagla, Lala Rameshwar Prasad.
Bajpai, Mr. G. S.
Bhore, The Honourable Sir Joseph.
Brij Kishore, Rai Bahadur Lala
Cox, Mr. A. R.
Dalal, Dr. R. D.
Darwin, Mr. J. H.
DeSouza, Dr. F. X.
Dillon, Mr. W.
Dumasia, Mr. N. M.
Glancy, Mr. B. J.
Graham, Sir Lancelot.
Grantham, Mr. S. G.
Haig, The Honourable Sir Harry.
Hardy, Mr. G. S.
Hezlett, Mr. J.
Hudson, Sir Leslie.
Irwin, Mr. C. J.
Ismail Ali Khan, Kunwar Hajee.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.

Macmillan, Mr. A. M.
Mitter, The Honourable Sir Brojendra.
Morgan, Mr. G.
Muazzam Sahib Bahadur, Mr.
Muhammad.
Mukharji, Mr. D. N.
Mukherjee, Rai Bahadur S. C.
Nihal Singh, Sardar.
Noyce, The Honourable Sir Frank.
Pandit, Rao Bahadur S. R.
Rafiuddin Ahmad, Khan Bahadur
Maulvi.
Rajah, Rao Bahadur M. C.
Ramakrishna, Mr. V.
Rau, Mr. P. R.
Sarma, Mr. G. K. S.
Sarma, Mr. R. S.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan Gakhar.
Captain.
Singh, Mr. Pradyumna Prashad.
Sloan, Mr. T.
Tottenham, Mr. G. R. F.
Varma, Mr. S. P.
Yakub, Sir Muhammad.
Yamin Khan, Mr. Muhammad.

Lindsay, Sir Darcy.
The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is.

"That clause 4 stand part of the Bill."

Mr. Lalchand Navalrai: Sir, I beg to move:

3 P. M.

"That for clause 4 of the Bill the following be substituted :

'4. When a District Magistrate or in a Presidency town the Chief Presidency Magistrate is of opinion that within his jurisdiction an assembly of 5 or more persons have committed an act for the purpose of proceeding from British India into the territory of a State established by law in India and that the entry of such persons into the said territory or their presence therein is likely or will tend to subvert the Administration of the said State or cause danger to human life or safety or a disturbance of the public tranquillity or a riot or an affray within the said territory, he may, by order declare that assembly an unlawful assembly within the meaning of section 141 of the Indian Penal Code and the provisions of Chapter VIII of the Indian Penal Code and Chapter IX of the Code of Criminal Procedure, 1898, shall apply'."

Sir, it is necessary to make it clear to the House what my amendment really means. My amendment is not that the whole of clause 4 should be deleted as was to be suggested by my Honourable friend, Sardar Sant Singh, who has not moved his amendment. In my opinion, the whole clause should not be omitted, because this clause 4 refers to *jathas* being formed in order to be sent to the States. By this amendment of mine, I do not say, when *jathas* are formed for a particular purpose, injurious in some way or other, that they should not be obstructed or that no injunction should be issued against them. I only suggest certain improvements in this clause, and, therefore, I have put in my amendment which improves only certain portions of the clause while retaining the other parts of the clause intact. Clause 4 in the Bill, as it stands, states

"When.....attempts are being made to promote assemblies of persons for the purpose of proceeding from British India into the territory of a State in India."

and then the Magistrate may issue an order. I submit these words are too wide, too vague and such that will be interpreted in a manner which would make it very difficult for the Magistrate also to decide whether there is an occasion for issuing an order. It will also be difficult for the other side to prove that there was no idea of forming them into a *jatha*. The words are, "when attempts are being made to promote assemblies of persons"; I submit that the words "attempts are being made" should be substituted by "when an assembly of five or more persons have committed an act for the purpose of proceeding, etc.,". I want they should actually commit some act for the purpose of proceeding. In other words,

[Mr. Lalchand Navalrai.]

they have done some apparent act. I will describe the stages and then it will be clear to the House what I want. At present I say that some thing must be done to form *jathas*, and it is only then that the Magistrate can definitely and justly find out whether there is any necessity for issuing an injunction. Why I object to the word "attempt" is this. The Honourable the Law Member in some previous amendment touched upon the word "attempt" and he began saying that the Government wanted to put in the word "attempt". I say that the word "attempt" is such that there have been several interpretations under the Penal Code upon its meaning. Therefore, to introduce the same word over which in India we have had so much difficulty and over which the Judges have given different views, is wholly unreasonable. I submit there ought to be clearer words put in, some stage should be shown by which there is a reasonable belief that a *jatha* is going to be formed. Now, take the word "attempt". "Attempt" has not been defined in this Bill, nor in the Penal Code. The commentaries and the various opinions on the word "attempt" are these. They say there is always an intention to commit an offence or to do an act, and there is always first of all the intention. They say intention is not attempt, that is quite right. Then they say there is preparation. Thereafter they state there is attempt and then only the act would follow. With regard to preparation and attempt, there is again a confusion. If a preparation is a different thing from attempt, then also there is difficulty. In forming a *jatha*, what is the preparation and what is the attempt? These things it will be very difficult for the Magistrate to decide. The point to decide would be whether such a stage has arrived to form a *jatha* which can be termed an attempt. If this is not found out, then you would be even taking simply an idea to form a *jatha* to be an attempt. Now, the law, as interpreted under the Penal Code, is this. The Judges have said that in an "attempt" there are several stages. The last stage will be the penultimate stage, that is to say, the penultimate act after which it will be actual formation of *jathas*. That is the last stage. There are several stages in "attempt" which are little more than preparation. Therefore, some Judges say that if there is a little more than preparation done, then it becomes an attempt. Some say, no, there ought to be some substantial stage of it. Others go further and require the last act after which a *jatha* gets actually formed. Therefore, I submit, if there is so much confusion and dispute over the interpretation of the word "attempt", why use it? I ask the Honourable Members on the Government side to say what will be that stage when they will say that an attempt for a *jatha* is being made? I ask the Honourable the Law Member to clear the point. If one man says to the other man, "let us form a *jatha*", is that an attempt? Some Magistrates will say, he asked him that *jathas* should be formed, there is, therefore, an attempt, and an order should be issued. Let us take another case, there are two people who meet and say "we will form into a *jatha*, but we want other people also to join us, go and collect those people". Supposing they have gone out and told people to join, is that a stage which can be called an attempt? Very good. Let us go a little further. Some people have met, they have consented to form into a *jatha*, but they want certain things to be collected and taken along with them—some food or some materials. They have not yet formed into a *jatha*. Is that the stage where there is actual attempt? I submit.

there will be very great difficulty in interpreting what is really an attempt. I should like to be definitely told in this House by the Law Member or the Home Member as to what they mean by "attempt" at forming a *jatha*, because there is a very great conflict of opinion about this. Here is a *jatha* which means certain people, five or more, forming themselves into a group and saying. "We are going into a State to create disturbance". It is not clear whether they attempt at it.

I do not wish to waste the time of the House any further. I have put in my amendment to make the position clear, and I hope the House will agree with me that the word "attempt" should not be used as it appears in the Bill, but that words should be used, as I have suggested in my amendment, namely, that they have committed an act for the purpose of proceeding to a State. The act will be like this. People go to the station. They actually purchase tickets, or, even before going to the station, they have purchased tickets. This would be an act done. Therefore, I am submitting that these words of mine should be accepted, and I hope the House will appreciate the difference. The word "attempt" is a very confusing word, a word which has confounded several Judges, a word which, up to this time, has not been defined in the Indian Penal Code, and a statutory definition has not been given to it anywhere. How are you going to use that word with respect to the States Bill? You must realise one thing. In India, if there is an attempt going to be made and information is laid before the Magistrate, then the Magistrate will be in a position to find out how far that attempt has proceeded. But what will be the procedure now? If an order is sought from a Magistrate with regard to any State, some State officer or some favourite will come forward and make an assertion to the Home Member that there is an attempt being made for a *jatha* being formed. The Home Member or the Political Secretary will certainly believe that, and as the man goes there from the ruler or the prince who has got nervous, they will assume that an attempt is really being made. Therefore, the word "attempt" should be removed.

Then, I come to the second part of my amendment. In the Bill, you find that the words used are, "when their presence is likely or will tend to cause obstruction to the administration". You again see the fallacy of these words being used. What is the meaning of the word "obstruction"? It will be very difficult to say what is obstruction and what is not. The object of the Bill is that something should not be done to destroy or jeopardise or cripple the administration of a State. But what is the meaning of "obstruction"? That word, again, is not defined in the Indian Penal Code or anywhere else. We have to go to the dictionary meaning and common sense meaning of the word. Now, supposing in this House some members of the Swaraj Party intend to obstruct the business. Is that an offence? Have the British Government ever come forward to penalise those Members here who come to obstruct the passing of a certain Bill? I will give another instance. Suppose there is a piece of land going to be sold in an Indian State by the prince, but the people of the State want it for a particular purpose. People in India form into a *jatha* to go and explain to the State administration and also to tell the people not to purchase that land. Is that obstruction to the administration? If such things are done, then I think it is no use making laws like this. It is better to leave the rulers to break their own heads with their people and not to ask for help here. They are asking for help

[Mr. Lalchand Navalrai.]

which, I think, Government would not give to any British subject here. And now, by showing them so much kindness, they are only spoiling these princes more and more. I, therefore, submit that the word "obstruction" should be taken away and the words "to subvert the administration" should be inserted. Instead of "attempts are being made, etc." the words should be, "have committed an act for the purpose of proceeding from British India", etc. Sir, with these words, I move my amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That for clause 4 of the Bill the following be substituted :

'4. When a District Magistrate or in a Presidency town the Chief Presidency Magistrate is of opinion that within his jurisdiction an assembly of 5 or more persons have committed an act for the purpose of proceeding from British India into the territory of a State established by law in India and that the entry of such persons into the said territory or their presence therein is likely or will tend to subvert the Administration of the said State or cause danger to human life or safety or a disturbance of the public tranquillity or a riot or an affray within the said territory, he may, by order declare that assembly an unlawful assembly within the meaning of section 141 of the Indian Penal Code and the provisions of Chapter VIII of the Indian Penal Code and Chapter IX of the Code of Criminal Procedure, 1898, shall apply'."

The Honourable Sir Harry Haig: Sir, I think the most convenient way to deal with my Honourable friend's amendment will be to try and show in the first place what are the Government proposals, and, in the second place, what are the Honourable Member's proposals, and what is the difference between them. Now, the Government proposal for procedure is this. In the first place, the District Magistrate must be satisfied that attempts are being made to promote assemblies, that is to say, that a general situation exists in his district. The wording originally was, "that there is in his jurisdiction a movement" etc. Objection was taken to that wording in the Select Committee. It was thought that "movement" was not a word which had a definite legal signification, and, therefore, it was felt by some of my Honourable and learned friends that it would be better to substitute the word "attempt" which has a definite legal signification. Personally I regretted that substitution; I think that the meaning is really conveyed more satisfactorily by the original wording, but I do not quarrel with the wording as amended by the Select Committee. But the point to which I wish to invite the attention of the House is this, that the District Magistrate has, in the first place, to satisfy himself of certain conditions in his district which are leading to the assembling of *jathas*. When he is satisfied of that, he may, by an order in writing, prohibit the assembly of such *jathas*, and, thereafter, if such *jathas* do assemble, they are unlawful. Those are the proposals of Government. Now, Sir, the proposal of my Honourable friend is totally different. He proposes to deal with each individual *jatha* as it arises. The Magistrate has to wait until an assembly of five or more persons have committed an act for the purpose of proceeding from British India into the territory of an Indian State; that is to say, in effect he is to wait until a particular *jatha* practically has assembled. Then, if he is quick enough, he is allowed to declare that assembly an unlawful assembly and then it can be dispersed. But that procedure would be entirely ineffective to deal with the situation we

are contemplating where there will be a large number of *jathas* assembling simultaneously for the purpose of invading an Indian State. It would be quite useless to have a provision which necessitates the Magistrate being present when each *jatha* is actually assembling and then declaring that it is unlawful. Such a procedure obviously could do nothing to prevent the invasion of a State by a number of bands of men from British India. Therefore, my main, and, I hope, decisive, objection to this proposal is that it will be entirely ineffective and really my Honourable friend, though he took some credit to himself for not moving, for the omission of this clause altogether, could in my opinion just as well have moved the complete omission of the clause, as move the substitution of these words. I would just as soon have no clause at all as the provisions which my Honourable friend opposite offers me.

The other point raised by the Honourable Member was that for the word "obstruction" he had substituted the word "subvert". That also would have a very weakening effect on the procedure we propose, for the Honourable Member contemplates that no action should be taken unless a Magistrate is satisfied that the object of these *jathas* is the very extreme object of subverting the State. That may be, and probably is, the ultimate object but it is extremely difficult in the earlier stages for anybody to say positively that the object of these *jathas* is to go as far as to subvert the administration of the State. It may be perfectly obvious that the intention of those who organise the *jathas* is to obstruct the administration of the State: that is a thing that can very easily be established; but to go further and to say that the object is to subvert the State is to ask the Magistrate, in my judgment, to reach conclusions which really it would not be in his power to reach, and there again this substitution of "subversion" for "obstruction" would so seriously weaken the provisions as to render them largely ineffective. Sir, I oppose the amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That for clause 4 of the Bill the following be substituted :

'4. When a District Magistrate or in a Presidency town the Chief Presidency Magistrate is of opinion that within his jurisdiction an assembly of 5 or more persons have committed an act for the purpose of proceeding from British India into the territory of a State established by law in India and that the entry of such persons into the said territory or their presence therein is likely or will tend to subvert the Administration of the said State or cause danger to human life or safety or a disturbance of the public tranquillity or a riot or an affray within the said territory, he may, by order declare that assembly an unlawful assembly within the meaning of section 141 of the Indian Penal Code and the provisions of Chapter VIII of the Indian Penal Code and Chapter IX of the Code of Criminal Procedure, 1898, shall apply.'

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That clause 5 stand part of the Bill."

Mr. Lalchand Navalrai: Sir, I move:

"That clause 5 of the Bill be omitted."

This clause refers to the power of a Magistrate to direct prohibition of certain acts in connection with Indian States. We all know that we have a similar section in the Criminal Procedure Code—section 144: we are quite aware of it, because very many times it has been abused, and rather mismanaged. A similar provision is now sought to be made by this clause 5. This clause says:

"Where, in the opinion of a District Magistrate or in a Presidency-town the Chief Presidency Magistrate, there is sufficient ground for proceeding under this section and *immediate prevention or speedy remedy is desirable*, such Magistrate may, by written order stating the material facts of the case and served in the manner provided by section 134 of the Code of Criminal Procedure, 1898, direct any person to abstain from a certain act if such Magistrate considers that such direction is likely to prevent or tends to prevent *obstruction to the Administration of a State in India or danger to human life or safety or a disturbance of the public tranquillity or a riot or an affray within the said State.*"

My humble submission is that now that the clause has been passed which prohibits *jathas* from going to the Indian States and the Magistrate can pass a prohibitory order in order to prevent *jathas* from going there, to make this omnibus clause in which it is left to the Magistrate to pass any order on any person to abstain from a particular act—I submit, to allow such a provision to be made is quite unnecessary after clause 4 has been accepted. I also say that such a provision will be very much abused. If this is enacted, it will create more mischief than good, for the orders that the Magistrate will make will be made on the suggestion or information given by the State people; and then the complaint will have to be filed by the Government themselves, and when a complaint comes from a Government to any Magistrate it will be only very few Magistrates who will be so independent as not to treat that as an order of the Government. It will work as a death-knell. I submit that this is not my opinion only, but that in two places in India the District Magistrates—the administrators there have given the same opinion; and you will, therefore, realise that there will be corruption in getting such orders and that orders of any nature will be obtained on a mere assertion. I submit, therefore, that this clause should not be enacted. How this clause is being applied and acted upon in India can be explained by one or two instances. You may be knowing that well-known case which is called the Guntur Mahatma Gandhi cap case. In that case, what had happened was that, in Guntur, the District Magistrate had passed an order to the effect that no one should put on a Gandhi cap. Of course, everybody can understand how easy it is to get such orders passed, because you are not defining the order in the clause itself, but you are leaving it to the District Magistrate to pass any order to prohibit a person from doing a certain thing. The District Magistrate, for instance, can say: "Oh, you don't put on a Gandhi cap" or pass some such order, and

that must be obeyed, and we know that such absurd orders have been made, and it is not possible to enumerate the extent to which such orders might go.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

Therefore, you give a blank cheque in the hands of the District Magistrates. Those Honourable Members who know how these orders are passed in India will be able to appreciate my viewpoint.

Now, Sir, as I said, there will be (1) corruption in getting such orders, and (2) there will be no independence left to the Magistrates when they want to please the princes who want particular orders passed. Therefore, on that ground this enactment should not be made. In support of these two contentions of mine, I would refer to the opinions given at page 22 of Paper No. 15. I will first refer to the opinion of the District Magistrate of Nilgiris, in which he says this:

"The provisions against 'interference with the administration of a State' are very wide. It is obvious that they could be abused. The expectation that they will not be apparently based upon the presumption they will be administered in good faith by Magistrates and Governments. Against this presumption must be put the possibility (to put it no higher), that future Magistrates and Governments may not be incorruptible".

Of course, he is referring to the future Magistrates and Governments . . .

The Honourable Sir Harry Haig: It sounds like Mr. Winston Churchill.

Mr. Lachand Navalrai: Is it so? I don't think this District Magistrate has got a lesson from Mr. Winston Churchill. Now, proceeding further, he says:

"and that many of the States, who may desire the application of these provisions, have sufficient wealth to make the bribing of individuals a matter of no account to them. I think it inexpedient to put those in authority in India in the position of being able to grant or refuse a favour to an Indian State, so far as it is possible to avoid this."

Sir, this is not my personal opinion, but it is the authoritative opinion of a District Magistrate based upon his own experience.

Further on, he says this:

"The procedure under sections 5 and 6 are analogous to those under Criminal Procedure Code, 144. Proceedings under C. P. C. 144 are judicial proceedings of a court, not administrative Acts. I do not know upon what information the District Magistrate would normally base his opinion that action under section 5 or 6 is necessary. In practice it would probably be upon information given by the Government, and the effect of Government's action upon any except the most independent Magistrate would be equivalent to an order. I think it better that the terms of the Act should be more in accordance with the probable facts and, if Government is likely to exercise such authority, the responsibility should be openly placed upon it."

Certainly, Sir, the responsibility to pass this measure should not be placed upon this House at all. If Government want to help these people, let there be an Ordinance, let there be an order and let the responsibility be on the Government, and not on us, Members.

[Mr. Lalchand Navalrai.]

Then, Sir, I will also refer to another District Magistrate's opinion, I mean the District Magistrate of South Canara. This is what he says:

"Another point that I should like to emphasise is that the Bill proposes to give to the District Magistrate considerable powers with a view to protecting Native States from undesirable activities having their origin in British India. But for a District Magistrate to be able to act properly in this way it would be necessary that he should know very much more than he does at present about what is going on in Native States. I have been District Magistrate in Tinnevely, Malabar, South Kanara and Kurnool and in all these districts there were one or more Native States on the border or within the district, and I can say that with the exception of extradition correspondence there was absolutely no correspondence between the District Magistrate and the Administration of the Native State on matters affecting Law and Order in those States. This shows, I think (i) that the British police and the police of the several States get on quite well with the law as it is and (ii) that there is no need in South India for any Bill as now drafted."

Now, Sir, these opinions are quite clearly in favour of the case I have made out in support of my amendment, and so it will be a mistake to pass this Bill as it is drafted at present.

Then, Sir, I would submit that this clause of the Bill is wider than even section 144, and in this connection I would also quote the opinion of another District Magistrate. He says this:

"Clauses 5 and 6 relate to matters which are covered by section 144, Cr. P. C. when similar contingencies are feared in British India, but go much further than that section. I am unable to see any justification for taking powers to deal with possible contingencies in the States in excess of those which Government takes to deal with similar activities directed against itself. The phrase 'interference with the administration of the said State' has, so far as I am aware, no counterpart in the existing law of British India, and it seems to me to be most undesirable to saddle District Magistrates with the responsibility of enforcing sections so loosely worded."

Sir, nothing can describe better than what these opinions do, and I submit, when this House has experience of the way in which section 144 is abused, this House would be well advised to accept my amendment to delete this clause 5. With these words, I move my amendment.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That clause 5 of the Bill be omitted."

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, I want to understand the implications of clause 5 of the Bill. When I moved for circulation in the Simla Session, I pointed out that there might be occasions when British Indians like you (Mr. Deputy President) and me might be asked to preside over Indian States Peoples' Conferences in British India. In fact, I had the honour of once presiding over the Orissa States Peoples' Conference at Cuttack. My reading of this clause is, if a certain petty chief would approach the District Magistrate and tell him that if such and such a conference would be held, it will cause disaffection against him, and this clause might be used against the holding of that conference. Throughout this Bill steps are being taken to protect the maladministration of these princes. I am not talking here of big and orderly States whose cause my Honourable friend, the Raja Bahaqur,

advocates. I have no experience of those States and how the administration is run there, but living on the border land of the 26 Orissa States—I have made it clear that some of these States are well administered, but they are noble exceptions, only a very few. The others live almost in barbaric conditions, where, as I have said on another occasion and I again lay emphasis on it, there is forced labour, there is no safety of human life, and in one or two States no honour of women is respected. The people of those States pay heavy taxation which even we in British India do not pay, and when these people gather in British India and want to hold a meeting, the representatives of those States will go to the District Magistrate and tell him that those people are conspiring and there will be trouble in the State. As I stated last time, supposing I am chosen to preside over the Indian States Peoples' Conference at Bombay, my Honourable friend, Sir Cowasji Jehangir's town,—I repeat that I may some day preside over such a meeting—the Collector of Bombay may issue an order prohibiting me from presiding over that conference. I want to know whether by implication this clause 5 prohibits the holding of such conferences in British India. For instance, we read the other day that a petty little chief in Kathiawar, the Nawab of Mangrore, was running amok. He passed orders that Hindus could play music before mosques and that Muslims could have cow-slaughter anywhere they liked. Suppose some of his people gather somewhere and want to protest against this mad *firman*,—as the word *firman* has been very often used,—or this executive order of the Nawab of Mangrore. The Collector in the neighbouring of Ahmedabad or Kaira may prohibit these people from meeting there, because it might cause disaffection against the particular State. If the Honourable the Home Member concedes the recognition of the elementary rights of citizenship to the States people, so that they can represent not only to the princes and their administrations, but also to the Paramount Power, the British administrators, the Political Agents and also the mighty overlord, the Honourable the Political Secretary, we in British India will not bother them. We have enough troubles in our own affairs, and we would not like to bother ourselves as to how the Indian States people are being misruled by the Indian States. But today these States people have no right of redress at the hands of their own administrations, and they have no right of representation to the Political Agents. As the able minute of dissent says, clause 5 is unnecessary in view of clause 3 which has already been passed although we voted against it. If this Bill becomes law, you will find agents, provocateur, touts, pimps, etc., of Indian States in British towns. Although at present these princes have no right of having a representative or agent at Delhi, the Capital of the British Indian Empire, they will now keep these agents, agents provocateur in British Indian towns, and whatever we may say here, those fellows, in order to justify their existence, will report wrongly and falsely against British Indian subjects and their sympathetic action whenever time permits us to express sympathy against the maladministration of these States. These princes will run down to the town, they have easier access to the District Magistrate than we have, and will tell the Magistrate that a serious situation has arisen, such and such a conference, or such and such a meeting, or such and such deliberations should be prohibited. It is on that ground alone that I support the deletion of this clause. I fully agree with the minute of dissent that this clause is unnecessary and superfluous. This clause will cause further irritation.

[Mr. B. Das.]

Yesterday, the Honourable the Home Member said that I drew a fantastic picture that clause 3 was aimed at the Congress and that it was meant to forge fresh weapons against the Congress. If that appeared to be fantastic and exaggerated, I only said that clause 3 was meant to put a further weight on the already strangled nationalist Press of India. The other clauses will give these princes ample protection, not that they need protection from us, but this clause 5 takes away the very small chance that the States people have to gather at a neighbouring British town and hold a conference in all constitutional manners, so that they can ventilate their grievances, pass resolutions, not only to be sent to those princes, but to be sent to the mighty Political Secretary of the Government of India, so that, he, instead of throwing them into the waste paper basket, can read them and take some action. If I were the Political Secretary, I would feel happy that in spite of his overlordism, in spite of all the bureaucratic dogmas that the Political Secretary adopts in the administration of the Political Department, the States people have still confidence in him. They meet and gather in a British Indian town, pass resolutions and forward them to him by telegram or by letter, so that the Political Secretary may take action. If the Honourable the Political Secretary is allowed to speak out his own mind, if the conscience of the Political Department will allow him to speak out his own mind, the mind of Mr. Glancy, not of Mr. Glaney, the Political Secretary, I am sure, he will say that some of these complaints, some of these resolutions that are passed in various conferences have ample justification. They seek redress of their grievances, and what is the weapon left to any subject of a Native State or a subject in British India? The only thing is constitutional agitation. In India, we turned that agitation into other channels, with the result that so many Ordinances were passed. Today we cannot hold a meeting of the All-India Congress Committee. We cannot hold a Congress Session. We know how the President of the Congress, my old friend, Mr. Aney, was harassed and ill-treated at Midnapur by the Jail Superintendent, although the District Magistrate knew that Mr. Aney was the President of the Indian National Congress. The States people may be very well organised in the Hyderabad State where a brilliant man like my friend, Raja Bahadur Krishnamachariar advises His Exalted Highness the Nizam, with his knowledge of Shastric laws and his knowledge of the Hindu religion and his knowledge of Persian and Arabic. He must be advising the Nizam's Government to administer the State properly and to concede to the people of that State elementary rights of citizenship, but I am talking now of these petty princes. Today many of these petty princes are almost barbarians. They have no education and no knowledge. I know the Orissa princes are sent to Raipur along with princes from the Central Provinces, Bengal and Bihar. They receive some education. They are taught how to drink whisky, how to play polo and just pick up enough English to be able to say to my friend, Mr. Glancy, "Thank you" when he visits those States. It would be better for these princes if they had clung to their ancient culture and ancient civilisation. Today they are taught some smattering of English, how to brush their moustache at the correct angle and brush their hairs in proper shape and to behave like princelings. This is the result of the so-called education they get in the educational institutions which are under the direct administration of the Political Secretary of the Government of India. I wish the Political Secretary, in his cooler moments, would abolish all these

institutions which do not teach the princes to be real men. Is it not a shame to these institutions that they could only turn out men like the late Maharaja of Bharatpur who was educated in the Ajmer College. In that way, hundreds of these princes are coming out who are unfit to look after themselves, and how can they look after their people? We have been educated in the ordinary schools and colleges. I find that my friend, Sir Hari Singh Gour, the ex-Vice-Chancellor of the Delhi University, is not here, but my friend, Dr. Ziauddin, who is an ex-Vice-Chancellor of the Aligarh University, whose student you, Mr. Deputy President were, would tell us how much percentage of the students that come out of our schools and colleges prove failures. My Honourable friend, Mr. Glancy, cannot boast of these educational institutions for these princes that they turn out anything like the products that British Indian colleges produce. I, who have had the opportunity to visit foreign countries and have visited England, know how the sons of aristocrats are educated there. There the sons of aristocrats are trained differently. There is no difference in the training of the sons of aristocrats and the sons of my Honourable friends, Mr. Glancy or Sir Harry Haig. They are students at Oxford and Cambridge and they go through the same training.

Now, Sir, as we have passed clause 4, I feel that clause 5 is unnecessary. Let the Honourable the Home Member and the Political Secretary realise our difficulty. We are not making these speeches in this hot oven of the Assembly Chamber only to take time. We feel that we are parting away with certain accumulated rights, however small it may be, of these Indian States people. We are also condemning ourselves and parting with our own rights in the matter of showing sympathy to some of these States people. I do hope that Government will accept this motion and allow the deletion of clause 5. I hope they will give us a sympathetic reply to show how these autocrats, who are really democrats in their heart of hearts, feel and how they can provide for the elementary rights of citizenship for the people of the States and how the States people can exercise those rights in practice.

Diwan Bahadur A. Ramaswami Mudaliar: Sir, once more I wish to confine myself strictly to the clause before us and examine the need for this clause and the purpose it is intended to serve. On a perusal of this clause, I find that it is much more onerous than the corresponding section, section 144 of the Criminal Procedure Code. In the first place, I do not understand what is meant by "obstruction to the administration of a State in India". I do not think there is much difference between obstruction and interference. Whether the word is interference, as in the original Bill, or obstruction, as in the Bill amended by the Select Committee, it covers my point. The clause says:

"Where, in the opinion of a District Magistrate. . . there is sufficient ground for proceeding under this section and immediate prevention or speedy remedy is desirable, such magistrate may, by written order, etc., direct any person to abstain from a certain act if such magistrate considers that such direction is likely to prevent or tends to prevent obstruction to the Administration of a State in India or danger to human life or safety or a disturbance of the public tranquillity. . . ."

I should like to have from the Honourable the Home Member an illustration of an act done in British India which would tend to cause obstruction to the administration of an Indian State. Now, under clause 4,

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we are preventing *jathas*, and, under clauses 2 and 3, we are prohibiting certain offences—publications in newspapers, and so on. This refers to individual acts done in British India, and my Honourable friend says that the Magistrate can prevent the doing of any such act if he thinks that it will tend to cause obstruction to the Administration of a State. Now, in the corresponding section 144, the language is quite different:

“Such Magistrate may, by written order, direct any person to abstain from a certain act or to take a certain order if such Magistrate considers that such direction is likely to prevent or tends to prevent obstruction, annoyance or injury or risk of obstruction, annoyance or injury to any person lawfully employed.”

Now, I can understand “obstruction to a person lawfully employed in the discharge of certain legitimate duties”. Section 144, therefore, is intelligible. An act done by one person may obstruct the discharge of his legitimate duties by another person, but what is meant by “prohibiting a person to do an act which will or may tend to obstruct the Administration of a State”? I really cannot conceive what that effect may be, and if it was necessary, why is it that in section 144, you have not got similar words—why have you not prohibited the doing of an act by an individual which will cause obstruction to the Government of India or to a Local Government? You did not realise that there was any necessity for it; you have not, in spite of all the amendments that have been carried out, realised that there is any necessity to prohibit an act by an individual “which will cause obstruction to a Local Government or to the Government of India”.

Now, I venture to think that in this case you have gone far beyond even section 144, and put in words which to me are unintelligible and which, I hope, either the Honourable the Home Member or the Honourable the Law Member will explain. My difficulty is this. Under this, every act can be covered, anything may be prohibited. You can prove that an act does not cause obstruction to an individual, that a certain act which you contemplate does not cause annoyance to an individual, or that a certain act you intended to do would not have caused injury to an individual, but how on earth is it possible for a citizen in British India—and I am now concerned only with the citizen in British India whose rights we are here to safeguard, we have no business to speak on behalf of the Indian States nor of the subjects of such Indian States, but I have been elected to safeguard the rights of British Indian subjects, and I ask—how can I prove—where it will be necessary to prove if I want this order to be vacated, or if I want the High Court to revise this order—how can I prove that an act that I intended to do would not cause obstruction to the Administration of a State? Surely, this is going beyond the provisions of section 144 of the Criminal Procedure Code; and if you wanted analogous provisions—“causes obstruction, annoyance or injury to a person in the lawful discharge of his duties” in an Indian State it would be intelligible but “obstruction to the Administration” is something which I am unable to understand. Supposing a person addresses a meeting in which he says that the taxes levied in that State are too heavy. Well, it might be interpreted that it would cause “obstruction to the Administration of an Indian State”, because it would make it very difficult for that Indian State to collect taxes at that rate. Anything can be covered by these words. I want the Honourable the Home Member to look into this question and not to expect merely because the Bill is there, that every word of it should

become law. I am aware that we are speaking under a very great handicap, because, in the first place, a large section of this House has not understood this Bill and has not attempted to understand this Bill. Even those who are offering no opposition to some of these provisions have not understood these provisions. That is the initial handicap. In the second place, owing to the prolonged Session, we are certainly very thin on this side of the House. Therefore, all this objection is only for the purpose of pointing out the obvious defects in the legislation, and not because we have any hope of carrying any of these amendments. Let not the Honourable Member think that we are obstructing or trying to prolong the Session. Most of us are anxious to conclude the Session as soon as possible, but we shall be failing to discharge our duties if we do not show that the Government in their anxiety, in their very legitimate anxiety, have overshot the mark and they have made such wide provisions that they are unnecessary and calculated to cause injury and injustice. Then, again, take the concluding words of this section:

"if such Magistrate considers that such direction is likely to prevent or tends to prevent obstruction to the Administration of a State in India or danger to human life or safety or a disturbance of the public tranquillity or a riot or an affray within the said State."

Now, Sir, in section 144, it is certainly said that:

"if such Magistrate considers that such direction is likely to prevent, or tends to prevent, obstruction, annoyance or injury, or risk of obstruction, annoyance or injury, to any person lawfully employed, or danger to human life, health or safety, or a disturbance of the public tranquillity, or a riot, or an affray."

That implies,—and I venture to appeal to the experience of the Honourable the Home Member when he was a District Magistrate, and to the Law Member,—that implies a riot or an affray somewhere near the locality where this person is going to do this act. Section 144, cannot possibly contemplate a case like this: if in Madras I do a certain act and in the Punjab there is going to be a riot, the Chief Presidency Magistrate of Madras cannot give me directions not to do such an act. Here you are postulating exactly the reverse: it is not that a riot or a disturbance of the public tranquillity is apprehended in the locality where the man is going to perform that act, but the riot or affray will happen in some other State, perhaps far away from it, removed by hundreds of miles. That is the language of the Act. I do not know how it is going to be administered. That is the language of the section certainly. I am aware the Local Government's notification is to be published first, and that a specified area is going to be defined, but it does not mean that it is to be any contiguous area. "Public tranquillity will be disturbed"—there is no limitation of that kind, and at times when such apprehension may be seriously entertained, I venture to think that that act done in some place which has no logical connection with the State concerned may still come within the mischief intended to be prevented by this section. Sir, I venture to think that the powers given are very wide; that any public meeting held to ventilate legitimate grievances can be covered by this provision, because it may tend to obstruct the Administration of such and such a State and this provision will positively prevent any ventilation of grievances of any kind. I have a feeling that we are overloading the Statute-book with these offences and providing for too many contingencies and that the result of this Bill may not be as happy as is contemplated, just because instead of stopping

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with two or three specific matters and providing for specific offences, we have widened the area to such a large degree that every possible kind of ventilation of grievances is sought to be covered by this Bill.

Khan Bahadur Mian Abdul Aziz (Punjab: Nominated Official): Sir, I rise to oppose this amendment. It so happens that I have some knowledge of the things that I am talking about, and the House will perhaps appreciate the ever-present risk of people turning away from the discussion of abstract questions, questions of abstract rights, to commit concrete acts when these abstract questions agitate masses of people who have throbbing passions, and violent prejudices and who want to do things actually on the spot.

Sir, an Honourable Member just now said in the House that the word "obstruction" does not occur in section 144 and another speaker immediately read out the very word. Then, my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, said that he could not understand "obstruction of the administration of a State". The words in the Bill, as we have it at present, are "obstruction to the Administration of a State". Now, he said that he could not understand what could be done in British India which would cause an obstruction to the administration of a State. I will give him a very simple instance from my own knowledge.

A few people got together and passed a resolution that the subjects of such and such State should not pay the land revenue and also some other dues to the ruler of the State. I could give any number of similar happenings. For instance, they said that they should not allow certain rules about *Jagirs*. I do not want to give references, so that any State may be identified, but I do want the House to understand what actually happened. I want the House to form a picture of what happens when we are in the midst of an agitation. One day a frantic telegram came saying that a State was being invaded by the British Indian subjects without any rhyme or reason. Inquiries were made immediately, and I found out that there was a small island of British territory consisting of about 13 villages which is surrounded entirely by the territory of a Native State. In that island, in one particular village, people from another Native State entered and collected together to join demonstrations in another State. Of course, we were not concerned with that. But here was a very curious situation. We had no right to use section 144 against any of these people in our territory, because they were not doing anything against us. Also we could not take any action against those people who had come from the other State. And yet here was the making of a first class rumpus, and we had no power to disperse the mischief-makers. We had actually to *hath-joro* and to ask them not to please *badman* our locality. They took pity on us and they diverted their activities.

Mr. N. M. Joshi: That is the right way to do.

Mr. Lalchand Navalrai: That is a much better thing to do.

Mr. S. C. Sen: How will this clause help you?

Khan Bahadur Mian Abdul Aziz: I will explain that just now. Then, there was another situation which became very tense and difficult to handle. It assumed all-India proportions. What happened was that a certain All-India body sent round emissaries to collect people who would go from village to village in order to foment a certain kind of agitation. This All-India body then organised and announced a Conference not in a big town like Delhi, but within a very few miles of the State concerned. I happened to be on the spot both before and after the meeting, and, therefore, I am speaking from personal knowledge. The idea was to hold in that small town, where there are barely 4,000 inhabitants, a monster gathering of 55 to 60 thousand people and the people who were to participate in it were not only from our territory, but also from the adjoining Native State. We did not use section 144. I stood firm—I am not taking any credit for it—as long as it is humanly possible we will not use it. The result was that there was a gathering of 15,000 people. For that small town even a gathering of 15,000 people was too much, and there was a temporary famine. The wheat flour in the morning was being sold at 12 or 13 seers to a rupee, but it went down to 8 seers per rupee in the afternoon. But that is nothing. Just a day before I got an application in writing and a deputation also waited upon me saying that, when this huge crowd comes, the whole town will be looted. This was not a groundless statement, because, in that very place, a few years before, such a thing had actually taken place. Shops were looted and the crowd had become unmanageable. That is why we took the greatest possible precaution not to allow this crowd to swell into 50,000. Out of these 10 to 15 thousand people, 8,000 had come from the two adjoining Native States. Well, Sir, these people were not interested in the very flowery language in which the resolutions were passed. I am not saying anything about the merits of the thing. But I want the House to visualise the picture of what actually happened. This All-India mandate from one particular body had created a sort of All-India heat. The result was, as I will presently show, a very undesirable one. I am not alluding to what happened in the State. Immediately the meeting of this All-India body was over, the town was partially disorganised and the Municipal Committee had no funds whatsoever to put right the dislocation of everything. What happened then? Within a few weeks, owing to the poison that had spread, a certain number of *murtis* (idols in temples) were desecrated, not only on our side of the border at the place where that conference had taken place, but also across the border. I am not going to apportion the blame now. It so happened that we on our side had got information that some thing like this might happen. The intensity of communal hatred was unmentionable and it was with the greatest possible difficulty that we could manage the situation, and yet, even then, we did not introduce either section 144 or any other Ordinance. Immediately afterwards, as if in response to this challenge, another All-India body of another complexion made tremendous efforts to hold at the other end of the district within British territory another monster meeting and we could not say “No” to it. To our good fortune, it so happened that the second monster meeting could not be held, because the promoters could not make certain arrangements. Of course, the Government were suspected that they tried to hold back the people, but that was not the case. What happened was that they could not get the proper place in which to hold a meeting. The House is aware that a number of prominent people sent telegrams to the ruler not only of one State, but

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also of another State volunteering their services to come and settle the differences between the ruler and his people. But my point is this that, in fairness to our own people, we have to protect them against exploiters. Emotions are aroused by outsiders who come and talk in the name of sympathy for the oppressed subjects of a State and throw such a heavy burden on our people that they cannot really call their souls their own. They taxed our people against their will in the name of patriotism, religion, and so on, at a time when that district was suffering from famine. The people were poor and food was scarce. So, Sir, if such circumstances arise, then such a law, as is contained in clause 5 of this Bill, would at least help us in saving our people from the clutches of these unscrupulous people who come and exploit the emotions of our simple villagers. That is what I am after.

One other thing I want to say. There seems to be an impression that Government let District Magistrates in these cases pass orders under section 144 indiscriminately. There is no greater fiction than that. I may say for the information of the House that Government in such cases will issue confidential instructions. They are responsible for it and so are District Magistrates. We never issue an order of this kind under section 144 without having first considered the pros and cons very very carefully, and if there are people who hint that this will be used indiscriminately, there is no remedy for apprehensions of that nature. But I say, the House must believe that Indian and European officers alike have their own reputation, their own careers to look after, and it is impossible to think that, except perhaps once in a million cases, not in important cases of this kind, an unjustifiable order may be passed. Other wise, never, never, never, because Government take very great care even to test the wording, to see the wording beforehand, and, therefore, I submit that the apprehension that indiscriminate orders would be passed is entirely unfounded. In the Select Committee Report, in the Minutes of Dissent, reference was made "for instance, under this clause, if enforced by notification, it would have been open to the Magistrate of Delhi to prohibit the Conference of the States "people". This is a groundless suspicion.

Another Honourable Member in his speech said that this law was going to be used against our own people. I do wish the House to realise that this is not so, and I most respectfully urge that I should not be taken as trying to score a point in the debate, I submit that most certainly this provision is not intended to be used against our people, it is most certainly and most sincerely often to protect our people. It is not that we ask them to abstain from passing a certain resolution against the interests of a State or from something else. I can give scores of instances. I do not want to make any specific reference to any State. But I submit this provision is merely to protect our people from being exploited. It is not that we rob them of any right, it is not that we are preventing them from doing what is right, it is that we want to prevent them from becoming victims of unscrupulous exploitation. That is my answer to what was said by some of my Honourable friends that it will be used against our people. That is the justification for saying that such a law would help us in protecting our people. Of course every right minded man would wish that this law should be passed, but God forbid that this

should be used frequently or unjustifiably. But if it is to be used, it will be to protect our people, we have no concern with what happens to any Indian State, we only want that our people should not be sacrificed at the altar of unscrupulous people who assume big roles as champions of the rights of the subjects of Indian States. (Cheers.)

Sir Abdur Rahim: Mr. Deputy President, I am not at all surprised at the speech made by the Honourable Member opposite who just sat down, because his training throughout has been as an official and he really cannot understand, I am afraid, the political implications of a law like this. Many of us, even on this side of the House, have had considerable experience of the operation and application of section 144, Criminal Procedure Code, on which this clause 5 is based.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

We know that section 144 is intended to be used in an emergency in order to prevent imminent breach of the peace and disturbance of tranquillity or danger to life of the people in the neighbourhood. We further know that an order of this character under section 144 is intended to operate only within the confines of a certain defined locality. You cannot pass an order, for instance, under section 144 that the public or an individual shall do or abstain from doing a certain act in any place indefinitely. If such an order is passed, it would be beyond the jurisdiction of the Magistrate, beyond the purview of the Criminal Procedure Code, and it would be immediately set aside by the High Court. Now, Sir, what does clause 5 aim at? Clause 5 is not designed to prevent breaches of the peace or danger to life and property within British India within defined limits. No; the real object, the professed object, is to extend the operation of an order under clause 5 beyond the bounds of British India of which a Magistrate in British India cannot be expected to have any cognisance. His jurisdiction does not extend beyond British India, he does not know what are the things happening beyond the borders of British India. His obligation and duty does not extend to that extent. Therefore, to enact a clause like clause 5 is violating all the principles of legislation which we have been observing hitherto. You are saying, as has been pointed out by my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, that if you do a certain thing in Madras, you have to take into consideration what may happen in a certain State in the Punjab, or, say, in Travancore, or Cochin. Surely, Sir, this is not what our Magistrates are expected to do. What is happening or not happening outside the British Indian borders is no concern of our Magistrates, and they cannot be familiar with the facts there. They have no duty or obligation with respect to the people living outside the territories of British India. Therefore, section 144 proceeds upon a principle which does not apply to the condition of things contemplated in clause 5 of this Bill. The real intention is under the guise of the words "obstruction to Indian administration" to include any political meeting with the object of discussing the grievances, for instance, of the subjects of an Indian State and which, in the opinion of any particular Magistrate, may lead to obstruction of that administration in some way or other, or may lead to danger to human life or disturbance of breach of peace or tranquillity in that State. Now, Sir, under clause 3, which we have discussed and passed, freedom of expression of opinion regarding the affairs of an Indian State is to be summarily dealt

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with by a Magistrate, that is to say, if the Press publishes statements which a Magistrate may consider to be seditious to an Indian State, then in that case, the press is liable for forfeiture.

The Honourable Sir Harry Haig: My Honourable friend has, I think, forgotten that the provision is that the Local Government passes the order under the Press Act.

Sir Abdur Rahim: Technically my Honourable friend is correct, but it is really through the agency of the Magistrate that the Government act. The Magistrate has to take action in the first instance. I do not think there is any doubt about that.

Therefore, Sir, clause 3 is intended to deal with expressions of public opinion through the Press, and the object of clause 5 apparently is to deal with expressions of public opinion regarding the affairs of a State in political meetings. Now, Sir, the House ought to consider this very carefully that, under section 144, which has been existing in our Code for many a year, it never struck our Government, as has indeed been pointed out, that the operation of the section ought to be extended to political meetings even though such political meetings may, in the opinion of a Magistrate, cause obstruction to the administration here. May I ask the Honourable the Home Member, if this is sound law, if this is good law, with respect to an Indian State? If an Indian State needs protection under provisions like those of section 144, how is it that he does not seek protection for his own administration under section 144? Why does he not amend section 144 and make it applicable to the state of things contemplated under clause 5? I know, as a matter of fact, that section 144 has been applied to political meetings, and the public of British India have strongly protested against it as an illegitimate and illegal application of that section to political meetings. Now, Sir, if a meeting, whether it is called for political or for any other purpose, is held in circumstances which may lead to an imminent and immediate breach of the peace or danger to human life, then the Magistrate, under section 144 of the Criminal Procedure Code, would be empowered to take action and stop the meeting. That is perfectly clear, but that is apparently not considered sufficient, as it is covered already by the language of section 144 which says that the Magistrate may take action or direct action to be taken in order to prevent breaches of the peace or disturbance of tranquillity or danger to human life.

The Honourable Sir Harry Haig: In his own district.

Sir Abdur Rahim: Certainly. I say that is sufficient. But no; the object of clause 5 is not to confine the operation of section 144 to those contingencies, that is to say, where there is imminent danger to public peace and tranquillity. That is not the object. If that were the object, section 144 would be quite enough and you do not want a new clause like this and you do not want a new law at all. The object in asking for a new law of this character apparently is to strike at political meetings, meetings which may not endanger human life or endanger the peace of the district or locality, but meetings which may be perfectly peaceful and carried on in an absolutely constitutional manner. It is to strike at meetings of that character that clause 5 is sought to be inserted. Or, at any rate, there would have been no necessity for clause 5 if it were intended to

confine the action of the Magistrate or of the Local Government to contingencies contemplated and dealt with in section 144. I do say, therefore, that clause 5 will be applied not to cases where a breach of the peace or danger to life is apprehended, but to *bona fide* political meetings which the authorities of the State may not like at all. Naturally they would resent criticisms of their administration; but surely it ought not to be our object to stifle such criticism. Let me give an illustration. Would it not be open to a Magistrate, if he thinks that a certain public meeting will be resented by a certain State, to stop the meeting, though the object of that meeting may be absolutely peaceful and only to give public expression to what the subjects of that State may feel as grievances? I say it would be open to the Magistrate to take action. He may record his reasons, he may take evidence.

Mr. C. S. Ranga Iyer: But the Local Government has first to notify in the local Gazette. The Magistrate is not given a *carte blanche*. The notification is published after the Local Government has considered every aspect of the case.

Sir Abdur Rahim: My answer to my friend, Mr. Ranga Iyer's difficulty is this. I do not consider that a notification by a Local Government that a political meeting within a certain area ought not to be held is a thing which ought to bind us.

Mr. C. S. Ranga Iyer: But in future the Local Governments will have provincial autonomy.

Sir Abdur Rahim: We do hope so, but so far I am not so certain as my Honourable friend may be. If it be so, why not then wait for that future? Then, there might be no difficulty. Even then, supposing I was in opposition, I would strongly object to it, because the so-called responsible Government would be arming itself with powers which will lead to oppression and suppression of the liberties of the people. I have made it clear in another speech in the course of the debate that I do not care what the form of the Government is. I should not like any Government whether a responsible Government or an autocratic Government, an absolute Government or a bureaucratic Government, to take away the rights of the people unless it is proved in a Court of law that those rights have been exceeded or there has been an abuse of those rights. The person enjoying those rights, who is alleged to have abused those rights, must be given an opportunity to show that he has not exceeded his limits. There must be evidence given by the prosecution which ought to be tested by cross-examination. The accused must be given a chance to adduce his defence to show that, as a matter of fact, he was acting entirely within his rights. Then, there must be publicity to the proceedings. There must also be a regular appeal to the High Court. All these things must be gone through before a man's right to hold public meetings and express his views on public affairs is taken away or he can be punished for exceeding those rights. That is my answer to my friend, Mr. Ranga Iyer. Sir, the great danger of this clause is,—and I wish to impress this upon my Honourable friends specially on this side of the House,—that you are really giving a lead to Government, you are really asking Government to apply section 144 to political meetings. You will be stopped from questioning the authority or the propriety on the part of Government to bring forward a Bill, if they so choose, to widen the scope of

[Sir Abdur Rahim.]

section 144 by adding the words, "to prevent obstruction to the administration of a Local Government or the Government of India". What answer will be there if such an amendment to section 144 is brought forward? I do think that this clause 5, though it looks very modest, is a very dangerous clause and ought not to go on the Statute-book.

Mr. C. S. Ranga Iyer: Sir, I personally would like to have the debate concluded as early as possible, and would have abandoned altogether the idea of intervening in this debate but for, some may say, the unexpected or the unexpectedly warm speech of the Honourable the Leader of the Opposition. I, however, expected him to speak as warmly as he has done: I know he feels it deeply; he fought in the Committee, and though he could not carry with him one of his own colleagues, as the Report shows, Mr. Jagan Nath Aggarwal, a keen and eminent lawyer from the Punjab, although he could not carry conviction to him, I at any rate have to explain as it has been repeatedly put to me why I did not join in signing the dissenting note especially in regard to this clause. It has been put to us on the floor of this House that here is a clause which is going to be applied to political meetings

Mr. N. M. Joshi: And non-political also.

Mr. C. S. Ranga Iyer: I am answering the Honourable the Leader of the Opposition: he did not refer to non-political meetings. Mr. Joshi says it will be applied to non-political meetings. Probably; but let me first take up the political meetings. This clause, it has been said, will be applied to political meetings as section 144 has been applied; and the application will be more flagrant than the application of section 144. As we have experienced the application and the misapplication of section 144, I do not think that we should very much dread the application of this new clause, for it does not apply to British Indian politics. The Honourable the Leader of the Opposition asked: "Why not, if you feel like it, improve section 144?" I would not have agreed to the widening of the scope of that section, to the application of that section to British Indian subjects for British Indian purposes. This aims at putting down the movements mentioned in the Bill, directed towards the Indian States, and that is where the restricted scope of this clause comes in. Mr. Aggarwal is unfortunately not here today; otherwise he would have explained why he could not conscientiously support this amendment. The whole position is this: it is all well and good to wax eloquent on the rights and liberties of the Indian people in British India being put down; it is all well and good to say that a great menace, a great danger, is coming into existence in this measure and we are no longer going to be allowed to hold even non political meetings and that this clause will be used against us.

Mr. N. M. Joshi: Yes.

Mr. C. S. Ranga Iyer: Mr. Joshi says "Yes", forgetting that this is a clause and this is a Bill which directly aims at those who are conspiring either openly or secretly, with people in Indian States with a view to bringing about a state of affairs resulting in the obstruction of officials.

in the Indian States. It is a very serious situation which is contemplated in this Bill should be prevented, and if this section is not passed, it is just as well that the Bill is thrown into the waste paper basket. (Laughter.) This is the most vital point of the Bill—I admit, that is what the Opposition members have been asking. Whenever a clause is taken up, the same argument is put forward, but that is not what the Leader or the Opposition has been asking. He has to defend his signature to this dissenting note: he has defended it warmly, I admit, but he has defended it unconvincingly. He has told us that British Indian subjects are in peril, following the lead of his deputy, Mr. Mudahar. Mr. Mudahar said "I have got constituents in British India: I have got to represent them; the rights and liberties of my constituents are affected, and, therefore, this must not be passed". But this is aimed certainly at a class of British Indians whose object is to make military marches to the Indian States. We want to put down that class. Let there be no secret about it.

My friend, the Honourable the Leader of the Opposition, said: "If provincial autonomy is coming, why not wait for the future? How can you wait for the future? You must prepare for the future from now. The future will not dawn upon us, a pleasant and a happy future, if we are not prepared to prepare the road for the future. This is a preparation of the road for the future. The future has been resolved, and there is no, and there can be no, going back upon it as a Free and Federated India. If you want a Free and Federated India, British India must be prepared to discharge her responsibility towards the Indian States. There is no use now saying: "I do not care what will happen. Let the Federation come and let provincial autonomy come; let all these come first, and then I shall see what I shall do". It is like saying "Well, let me first have my motor car; let me get into the motor car and let me drive into the *khud* or the jungle". But a road has to be prepared—a good tarred macadam road, and then you can have your car, you can drive it; we are preparing the road today for the Federation. There is no use saying, postpone things till the future. We have to bring the future to our door, and, therefore, I hope that the misleading arguments of the Honourable the Leader of the Opposition, waxing eloquent on the rights and liberties of the people being curtailed will not cut ice in this House. I have great respect for the Leader of the Opposition, and I do not for a moment say that he does not honestly feel that this is going to be misapplied, and the Government themselves by their misapplication of section 144 have increased his apprehension. I do not for a moment say that . . .

Maulvi Muhammad Shafee Daoodi: On a point of order: is it again going to be a wrangle between the two Parties?

Mr. C. S. Ranga Iyer: Which Parties?

Maulvi Muhammad Shafee Daoodi: The Independent Party and your Party.

Mr. C. S. Ranga Iyer: I am not speaking for my Party at all. I am exercising my right as a Member of this House and as a member of the Select Committee to show, after the very warm speech of the Honourable the Leader of the Opposition, why I did not join him. I owe it to

[Mr. C. S. Ranga Iyer.]

my people to explain to them why I could not agree with him, because he has taken up a very strong line. He has said: "We are putting a powerful weapon in the hands of the Government to suppress even political meetings." I have to show that that is not so. We are putting certainly a weapon, a necessary weapon in the hands of the Government to prevent movements in British India such as were directed against the Kashmir administration. Supposing, for instance, and history can repeat itself, supposing meetings are held in the neighbourhood of the Punjab, the repercussions of which are heard in Kashmir, the Government of the Punjab must have adequate power to put down those meetings. Again, I am referring to what has happened in regard to the Maharaja of Alwar's administration. The Maharaja is a great and an esteemed friend of mine, and I say that if this particular measure had been in existence, and if the meetings that were held in the neighbourhood of Alwar had been prevented in time, probably the position in the State would not have become so bad as it became, the Hindus and Muslims would not have gone for each other resulting in such communal chaos that the British Government thought it necessary, rightly or wrongly, to interfere in the matter....

Maulvi Muhammad Shafee Daoodi: The Hindus and Muslims fought together against the Alwar State.

Mr. C. S. Ranga Iyer: The Honourable Member is entitled to his opinion, just as I am to mine, but if there were no upheavals of the kind,—I am not condemning the Muslims, I am not condemning the Hindus either,—I am only saying this: For, instance, tomorrow you might have an organization against Bhopal, or when the Berar question is settled, you may have meetings in the neighbourhood of Hyderabad, and I say that, so far as we are concerned, we must live in peace. We have enough troubles in British India. Hindus and Muslims must live in peace. Everybody knows what has happened in regard to these matters in British India, and we must take adequate power in our hands to prevent British India being made the base of operations against these Indian States administrations, whether from a Hindu point of view or from a Muslim point of view. If a Hindu movement is started to overthrow a Muslim ruler, whether he is good, bad or indifferent, it will be as bad as a Muslim movement being started in British India to overthrow a Hindu ruler. I will be the last man to cast aspersions on either the Hindu movement or the Muslim movement, but my trouble is this. I do not want these anti-State meetings, whether Hindu or Muslim, in British India, and I hope not political public meetings to which the Leader of the Opposition referred, but I hope that anti-State meetings, the nature of which we have realised from actual experience will not be permitted to be held in British India, and I am glad the Government have taken power after actual experience, and that they will rigorously and mercilessly take action on this, so that the trouble may not brew, so that the mischief may not become greater. We know from actual experience what havoc on life and property has been caused in Kashmir. I want this to be prevented, and that is why I say I could not in Committee agree to this, and I cannot in this House agree to it, and when Members vote upon this matter, I will ask them to think of the recent past, to think of

the movement directed in the recent past, and the communal meetings, terribly offensive and mischievous, leading to diabolical consequences were not prevented by the Government. We want very extensive powers in the hands of the Government, otherwise, Federation will be a phantom of the wilderness, and British India will become a communal base for frequent troubles. Therefore, Sir, from these national and higher considerations, I hope this motion will be rejected.

The Honourable Sir Harry Haig: Sir, I think my Honourable friend, Mr. Ranga Iyer, has dealt firmly with many of the arguments of my Honourable friend, the Leader of the Opposition, but I shall endeavour to add a few words of my own in due course.

Now, Sir, I think there is a certain amount of misapprehension on the Opposite Benches in regard to the scope and the probable operation of this clause. I make no complaint that the clause should be very carefully examined, as my Honourable friend, Diwan Bahadur Mudaliar, has endeavoured to examine it. It is reasonable for the Opposition to scrutinise it carefully. But when, for instance, my Honourable friend, Mr. B. Das, pictures the operation as something like this, that a petty chief approaches the District Magistrate and tells him that a conference will affect his State and then the District Magistrate will apparently feel bound to take action, I think he is forming a completely erroneous picture. It has been mentioned several times in the debate, and I make no excuse for repeating it, because it is really a vital point, that this clause will not come into operation until it has been applied to a particular district by a special notification of the Local Government. Now, Sir, how does a Local Government come to issue such a notification? It will not take such action, we may presume, without consultation on the one hand, with the Government of India in the Political Department who will be closely acquainted with the conditions in the State affected, and on the other hand with its own local officers in the districts in British India affected. I think, Sir, we may assume that this clause will not be applied unless, in the judgment of the Local Government, there is a real emergency. Then, Sir, when such an emergency arises, we really do require extensive powers in order that a conflagration may be averted. We have had within the last few years more than one instance which has brought it home very clearly to the Government what those dangers are. Those events have been referred to by many Honourable Members during the debate, but I think it may have been very illuminating to Honourable Members opposite to get something like an actual first hand picture of what may happen from my friend, Mian Abdul Aziz. The idea of a District Magistrate knowing nothing of what is going on, blindly carrying out some instruction which he receives from a far off authority is extraordinarily unlikely. When conditions of this sort unfortunately develop, they are a ground of the greatest anxiety to the district authorities who see the danger of the people in their district being carried away, who see all those dangers that inevitably arise in times of trouble on a border between British India and a State. It is exceedingly difficult to control movements on a border. My Honourable friend, Diwan Bahadur Mudaliar, gave us to understand that he really could not appreciate what was the kind of obstruction to an Indian State that it might be necessary to put a stop to in British India. Well, Sir, I think it is not difficult to give him an answer from our own recent experience.

[Sir Harry Haig.]

Not very long ago, just on the borders, just within British India, but just on the borders of an Indian State, there was a serious agitation being worked up. Now, the particular feature about that agitation was that as it was being conducted just on the border, it was not confined to the inhabitants of British India, but it attracted large numbers of the inhabitants of the neighbouring State. Now, Sir, can we stand by and allow incitements to these inhabitants of the Indian States to refuse to pay their revenue, or to obstruct or resist the authority of the State? Is not that a development which we are really bound to put a stop to, and is not that a fair answer to my Honourable friend? My Honourable friend, Mr. Ranga Iyer, referred to the fact that among the four signatories to the minute of dissent in the Select Committee, only three opposed this particular clause, and though I have had no conversation with the fourth member, I certainly myself drew the conclusion that he was not prepared to oppose this clause, because he had had some personal experience in his own Province of the dangers against which it is intended to guard. My Honourable friend, the Leader of the Opposition, said that we were extending to Indian States a measure of protection that we did not enjoy in British India. I think my Honourable friend must have momentarily forgotten the armoury of weapons which we do possess in British India.

Sir Abdur Rahim: I was referring to section 144.

The Honourable Sir Harry Haig: They are not by any means confined to section 144 of the Criminal Procedure Code, and at the present moment I think we may consider that we are reasonably equipped for dealing with obstruction to the administration. I do not think, therefore, that my Honourable friend opposite need be under any anxiety that we shall use this as a precedent for demanding further powers for ourselves. Sir, I oppose the amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That clause 5 of the Bill be omitted."

The Assembly divided:

AYES 31.

Abdoolah Haroon, Seth Haji.
Abdul Matin Chaudhury, Mr.
Abdur Rahim, Sir.
Azhar Ali, Mr. Muhammad.
Bhuput Sing, Mr.
Das, Mr. B.
Dutt, Mr. Amar Nath.
Gour, Sir Hari Singh.
Jadhav, Mr. B. V.
Jehangir, Sir Cowasji
Jog, Mr. S. G.
Joshi, Mr. N. M.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Maswood Ahmad, Mr. M.
Mitra, Mr. S. C.
Mody, Mr. H. P.

Mudaliar, Diwan Bahadur A.
Ramaswami.
Murtuza Saheb Bahadur, Maulvi
Sayyid.
Neogy, Mr. K. C.
Parma Nand, Bhai.
Patil, Rao Bahadur B. L.
Reddi, Mr. P. G.
Reddi, Mr. T. N. Ramakrishna.
Sen, Mr. S. C.
Shafee Daoodi, Maulvi Muhammad.
Singh, Mr. Gava Prasad.
Sitaramaraju, Mr. B.
Thampan, Mr. K. P.
Uppi Saheb Bahadur, Mr.
Zianddin Ahmad, Dr.

NOES 53.

Abdul Aziz, Khan Bahadur Mian.
 Ahmad Nawaz Khan, Major Nawab.
 Allah Baksh Khan Tiwana, Khan
 Bahadur Malik.
 Anklesaria, Mr. N. N.
 Bajpai, Mr. G. S.
 Bhore, The Honourable Sir Joseph.
 Brij Kishore, Rai Bahadur Lala.
 Cox, Mr. A. R.
 Dalal, Dr. R. D.
 Darwin, Mr. J. H.
 DeSouza, Dr. F. X.
 Dillon, Mr. W.
 Dumasia, Mr. N. M.
 Gidney, Lieut.-Colonel Sir Henry.
 Glancy, Mr. B. J.
 Graham, Sir Lancelot.
 Grantham, Mr. S. G.
 Haig, The Honourable Sir Harry
 Harbans Singh Brar, Sirdar.
 Hardy, Mr. G. S.
 Hezlett, Mr. J.
 Hudson, Sir Leslie.
 Irwin, Mr. C. J.
 Ismail Ali Khan, Kunwar Hajee.
 Ismail Khan, Haji Chaudhury
 Muhammad.
 Jawahar Singh, Sardar Bahadur
 Sardar Sir,
 Lindsay, Sir Darcy.

Macmillan, Mr. A. M.
 Mitter, The Honourable Sir Brojendra,
 Morgan, Mr. G.
 Mujumdar, Sardar G. N.
 Mukharji, Mr. D. N.
 Mukherjee, Rai Bahadur S. C.
 Nihal Singh, Sardar.
 Noyce, The Honourable Sir Frank.
 Pandit, Rao Bahadur S. R.
 Rafiuddin Ahmad, Khan Bahadur
 Maulvi.
 Rajah, Rao Bahadur M. C.
 Ramakrishna, Mr. V.
 Ranga Iyer, Mr. C. S.
 Rastogi, Mr. Badri Lal.
 Rau, Mr. P. R.
 Sarma, Mr. G. K. S.
 Sarma, Mr. R. S.
 Schuster, The Honourable Sir
 George.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan Gakbar,
 Captain.
 Singh, Mr. Pradyumna Prashad.
 Sloan, Mr. T.
 Talib Mehdi Khan, Nawab Major
 Malik.
 Tottenham, Mr. G. R. F.
 Varma, Mr. S. P.
 Yamin Khan, Mr. Muhammad.

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Clause 6 was added to the Bill.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 11th April, 1934.

LEGISLATIVE ASSEMBLY.

Wednesday, 11th April, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

PROMOTION OF DEPUTY ASSISTANT CONTROLLERS OF MILITARY ACCOUNTS.

681. ***Mr. B. V. Jadhav:** (a) Will Government please state what criteria are followed in selecting a Deputy Assistant Controller of Military Accounts for promotion to the superior service of the Military Accounts Department?

(b) Will Government please state whether these criteria have been strictly followed in the cases of Messrs. S. J. Farmer and M. L. Mehra, recently promoted to the superior service of the Military Accounts Department?

(c) Is it a fact that the position of these two officers was about the 60th and 70th, respectively, on the roster of Deputy Assistant Controllers prior to their promotion?

(d) Will Government please state the total period for which they held the appointments of Deputy Assistant Controllers permanently prior to their promotion?

(e) Will Government please state how many times they were recommended for such promotion and by whom?

(f) Will Government please state whether the approval of the Honourable the Finance Member was obtained to their promotion? If so, were the facts regarding their low position on the roster and were their short period of permanent service as Deputy Assistant Controllers placed before him? If not, why not?

(g) Will Government please state whether the reasons for their selection over the heads of about 50 officers were also explained to the Honourable the Finance Member? If so, will Government please state those reasons? If not, why not?

(h) Will Government please state whether the men senior to Messrs. S. J. Farmer and M. L. Mehra were ever given a trial for such promotion and were found unfit? If not, why was none of them selected for promotion?

The Honourable Sir George Schuster: (a) Apart from professional capacity, consideration is given to character and personality. It would be difficult to give an exhaustive list, but among the qualities to be looked for in the officer selected for promotion are energy, initiative, tact and, generally, the capacity to handle men and to hold his own with those with whom he will be called upon to deal.

(b) Yes.

(c) They were 58th and 65th on the list at the time of their promotion.

(d) Fourteen and seventeen months, respectively.

(e) Recommendations for promotion are made by a departmental Selection Board authorised by Government for this purpose. This Board, which meets periodically, selects officers for promotion with reference to the probable number of vacancies and arranges them in an order of merit. Officers are then recommended for promotion in that order as vacancies actually occur.

(f) The answer to the first two parts is "Yes" in both cases. The third does not, therefore, arise.

(g) Yes. For the reasons, I refer the Honourable Member to what I have just said in answer to part (a). The Selection Board recommended these two officers as the most suitable for promotion and Government were satisfied that the recommendations were sound.

(h) The answer to the first part is "No". As regards the second part, these appointments are made by selection based on merit.

Mr. M. Maswood Ahmad: Are Government aware that the policy of supersession creates a great deal of dissatisfaction amongst the employees?

The Honourable Sir George Schuster: I have no information to that effect.

Mr. M. Maswood Ahmad: Are Government aware that several questions have been asked on the floor of this House directed against the policy of supersession?

The Honourable Sir George Schuster: Government are painfully aware of the number of questions asked on this point on the floor of the House.

PROMOTION OF DEPUTY ASSISTANT CONTROLLERS OF MILITARY ACCOUNTS.

682. ***Mr. B. V. Jadhav:** (a) Will Government please state whether the Public Service Commission are consulted in the matter of promotions of Deputy Assistant Controllers of Military Accounts to the superior service of the Military Accounts Department, as they also recruit officers for the Military Accounts Department by holding competitive examinations? If so, were the Commission also apprised of the facts regarding the position as Deputy Assistant Controller of Military Accounts of Messrs. S. J. Farmer and M. L. Mehra, recently promoted to the superior service and their service in that grade?

(b) Will Government please state whether the Public Service Commission also agreed to their selection in preference to their seniors on the roster of the grade?

(c) Will Government please state whether they consider their seniors as ineligible for promotion?

(d) Will Government please state whether the Financial Adviser, Military Finance, is also the selecting authority for promotion of Deputy Assistant Controllers to the superior service of the Military Accounts Department? If so, will Government kindly state how they reconcile the statement made in reply to part (c) of the starred question No. 420 of the 9th March, 1934, with the responsibility of the Financial Adviser to select deserving officers for promotion?

The Honourable Sir George Schuster: (a) The answer is "Yes" to both parts.

(b) Yes.

(c) Not necessarily.

(d) No. The selecting authority, as I have stated, is the departmental Selection Board. The second part of the question does not, therefore, arise.

COINS MINTED AND ISSUED FROM INDIAN MINTS.

683. *Mr. Vidya Sagar Pandya: (a) Will Government be pleased to furnish a detailed statement in respect of each of the following small or subsidiary coins, coined or minted and issued from Indian Mints for each year, from the time each coin was ordered to be struck, in the form and on the lines of Statement No. XXXI in the Report of the Controller of Currency for the year 1932-33 on the whole rupees coined and issued from the Indian Mints from 1835?

(i) Silver: (1) $\frac{1}{2}$ rupees, (2) $\frac{1}{4}$ rupees, and (3) $\frac{1}{8}$ rupees.

(ii) Nickel: (1) 8-anna, (2) 4-anna, (3) 2-anna, and (4) 1-anna Pieces.

(iii) Bronze: (1) double pice, (2) single pice, (3) half pice, and (4) pies.

(iv) Copper: (1) double pice, (2) single pice, (3) half pice, and (4) pies.

(b) Will Government be also pleased to state:

(i) the dates and years when each of the above small or subsidiary coins, mentioned in part (a) was first ordered to be coined, and

(ii) when and under what circumstances any of these were discontinued?

(c) Will Government be pleased to state what loss has been incurred each year on the return and destruction of each of the non-current small or subsidiary coins (from the beginning up to 1933) mentioned in part (a)?

(d) Will Government be pleased to state:

(i) whether any census has been taken of the small or subsidiary coins mentioned in part (a) and if so, how many times and with what result in each case; and

(ii) what is roughly the life of the various small or subsidiary coins?

(e) Will Government be pleased:

(i) to state the circumstances under which the nickel coinage was introduced; and

(ii) to lay on the table the copy of the correspondence, if any, with the Secretary of State for India?

(f) Will Government be pleased to state:

(i) what was the quantity of nickel purchased each year;

(ii) at what prices nickel was purchased and from which countries; and

(iii) the corresponding local advertised prices in those countries?

(g) Will Government be pleased to state whether in view of the large stock of silver in hand they are prepared to consider the question of recoin-ing of $\frac{1}{2}$ rupees and $\frac{1}{4}$ rupees in silver and discontinue the nickel coinage of these two coins? If not, why not?

The Honourable Sir George Schuster: The information desired by the Honourable Member is being collected, and will be laid on the table in due course.

RULES REGULATING DISCHARGE AND DISMISSAL ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

684. ***Mr. K. P. Thampan:** Will Government be pleased to state:

(a) whether it is a fact that the Agent of the Madras and Southern Mahratta Railway has filed a suit against the editor of the *Indian Railway Magazine* for writing an article on "Security of Tenure" and commenting on the way how the rules regulating discharge and dismissal were being worked on that Railway;

(b) whether they are aware that nearly half a dozen employees of the Madras and Southern Mahratta Railway have sued the administration for alleged wrongful discharge on the ground that the rules relating to discharge and dismissal were not observed in their cases; and

(c) whether they are aware that in several cases the rules regulating discharge and dismissal have not been strictly followed in the past on the Madras and Southern Mahratta Railway?

Mr. P. R. Rau: (a) and (b). Government have no information.

(c) No.

Mr. K. P. Thampan: May I ask whether the attention of Government has been drawn to a Press telegram published in the morning papers in which it is stated that in one of the cases against the M. and S. M. Railway, the Madras High Court has given a decree in favour of a Mr. C. A. Campbell awarding damages for wrongful dismissal?

Mr. P. R. Rau: Yes, Sir, I think I saw that in the papers yesterday or today.

Mr. K. P. Thampan: In view of the fact that one case has been decreed against the M. and S. M. Railway, will the Railway Board consider it desirable to ask that Railway to re-examine the merits of all other pending cases and bring about a compromise if possible?

Mr. P. R. Rau: I do not think it is necessary for Government to interfere in this matter. The M. and S. M. Railway are quite competent to deal with it.

Mr. K. P. Thampan: Are not Government bound, according to the contract with the M. and S. M. Railway to make good the deficit, if they do not get the minimum return on their capital, and is it not the duty of Government to interfere in such wasteful expenses as this?

Mr. P. R. Rau: My Honourable friend is perhaps not aware that the M. and S. M. Railway is not working at a deficit.

Mr. Lalchand Navalrai: Is it the policy of the Railway Board to make railway employees go to Courts and get decrees from there?

Mr. P. R. Rau: Government cannot prevent people from going to law if they think they have a strong case.

Mr. Lalchand Navalrai: Is it not, therefore, necessary that the Government should try to compromise cases?

Mr. P. R. Rau: No.

Mr. M. Maswood Ahmad: Is it a fact that a case can be brought against a wrongful dismissal on a company railway?

Mr. P. R. Rau: Yes.

Mr. M. Maswood Ahmad: But not on State-managed Railways?

Mr. P. R. Rau: I believe not.

THE MATCHES (EXCISE DUTY) BILL.

EXTENSION OF THE TIME FOR THE PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir George Schuster (Finance Member): Eir, I move:

"That the time appointed for the presentation of the Report of the Select Committee on the Bill to provide for the imposition and collection of an excise duty on matches be extended till the 16th April, 1934."

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the time appointed for the presentation of the Report of the Select Committee on the Bill to provide for the imposition and collection of an excise duty on matches be extended till the 16th April, 1934."

The motion was adopted.

BUSINESS TO BE CONCLUDED DURING THE SESSION.

Mr. President (The Honourable Sir Shanmukham Chetty): There was a conference of the Leaders of Parties and the Leader of the House in the President's room yesterday and also this morning. As a result of the conference on these two days, the following arrangement has been

[Mr. President.]

agreed to by all the Leaders. It has been agreed that the consideration of the following measures should be postponed to the Simla Session, namely:

The Factories Bill,
The Indian Petroleum Bill,
The Indian Lac Cess (Amendment) Bill,
The Negotiable Instruments Bill,
The Indian Carriage by Air Mail Bill,
The Indian Aircraft Bill,
The Indian Trusts (Amendment) Bill, and the discussion promised
by the Honourable the Finance Member on the Additional
Salt Duty.

This means that the following measures must be finished in this Session, namely:

The Indian States (Protection) Bill, which is under consideration,
The Indian Tariff (Textile Protection) Amendment Bill,
The Sugar (Excise Duty) Bill,
The Matches (Excise Duty) Bill,
The Sugar-cane Bill,
The Trade Disputes Bill,
The Road Resolution, and the motion for the appointment of a
Committee to watch the working of the Ottawa Trade Agree-
ments.

It has also been agreed that the present Session must be finished on the twenty-first of this month. Now, this leaves us nine days including today, and the Chair was asked by the Leaders to announce to the House that in disposing of the business that has to be disposed of, the House and the Chair might approximately keep the following time-table in view.

The Indian States (Protection) Bill is to be finished today: then the Indian Tariff (Textile Protection) Amendment Bill is to be finished in three days at the most, with a night sitting on the third day, if necessary, to finish it;

The Sugar (Excise Duty) Bill, in two days;

The Bills on match excise, sugar-cane, and trade disputes, in a day and a half.

Then the motions on the Road Committee and the appointment of a Committee to watch the Ottawa Trade Agreements, a half day; and then

The Resolution on the Road Fund, on the 21st instant.

That gives us full nine days. The Chair hopes this will meet with the approval of all sections of the House and that Honourable Members will keep this in view. (Cheers.)

The Chair has also been told that Honourable Members find it inconvenient to go home in the afternoon at five o'clock when it is very hot, and, therefore, the Chair has been asked to adjourn the House every day at six o'clock instead of at five, and the Chair agrees to do so.

PRACTICE OF SENDING IN NOTICES OF AMENDMENTS AND NOTES OF DISSENT, ETC., WRITTEN IN PENCIL ON SCRAPS OF PAPER.

Bhai Parma Nand (Ambala Division: Non-Muhammadan): On a point of personal explanation. Sir, yesterday, you were pleased to take the trouble of bringing in a few slips of paper and you showed those slips to the House and also made comments upon them. I think your comments call for an explanation from me, and, therefore, I have got up to explain my position. I confess at the very outset that those slips were written by me. You know that fact, but I confess it to this Honourable House. They were written in pencil. You remarked yesterday that they were written on both sides, but so far as I remember, they were written on one side only.

My explanation is this. During the lunch interval, I was given the Select Committee's Report and was asked to sign it. I naturally hesitated, because I had to write a note of dissent. The man wanted that I should do so at once. I was not ready with the note of dissent, so I told him that I could not do it at once. Then he said that in any case the note should reach him before the House adjourned on that day. Of course, I had to write it during that interval.

The next point, that I wish to mention in this connection, is that ever since my release from jail, I am suffering from a disability, and that is that I cannot write in ink at all, especially English. Being in that position, I had to use pencil for writing my note of dissent, so as to give it to the office. My position is that your clerks or other superior officers, who made that complaint to you about me, could have easily come to me and asked my explanation, and could have changed or corrected my writing if it was so needed. I think the way of making this report to you is just like making reports to the Headmaster of a school against the boys, and so far as I remember

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Honourable Member can make a personal explanation, but not comments of that nature.

Bhai Parma Nand: I have to say this much, because I was practically snubbed in the House by the paper being shown. I cannot accept this kind of treatment. We are elderly men, and we do not want to get this sort of treatment in this Honourable House just as boys get in schools. It was the function of the clerks concerned to have come to me and asked my explanation instead of making the report to you. If they are not going to do it, then I do not see how with this kind of treatment from you—I am speaking of myself now—any man with any idea of self-respect would care to come and sit in this House and be treated like a school boy and be snubbed here. As far as your ruling

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Chair allowed the Honourable Member to make a personal explanation. If he is dissatisfied with the conduct of the Chair towards him in this House, he has got remedies open to him which are well known. The Chair cannot allow him at this stage, and, in the guise of a personal explanation, to make reflections on the conduct of the Chair. Yesterday the Chair advisedly refrained from making mention of the Honourable Member, who presented his minute of dissent in that form, because the Chair knew that the Honourable Member did not realise what he did. The Chair had to make this remark because it was becoming frequently a common practice for Honourable Members, without meaning any offence or discourtesy, to hand over notices of Resolutions, amendments, questions and even minutes of dissent written on a scrap paper in pencil. The Chair thought it was time that it pointed out to Honourable Members that for the purpose of the convenience of the office it was necessary that such notices should be written in ink, and, if possible, on foolscap paper. No offence was meant for any Honourable Member and the Chair is sure that such a warning was necessary in the interests of Honourable Members themselves and also in the interests of the Assembly Office. The Chair cannot allow the Honourable Member to say anything more on the subject. The Chair gave him an opportunity to give his personal explanation which he has done.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa : Muhammadan): May I know, Sir, if your ruling was only with reference to the minute of dissent?

Mr. President (The Honourable Sir Shanmukham Chetty): It is not a ruling. The Chair pointed out to the Honourable Members the inconvenience caused by having such important documents as minutes of dissent in that form. For one thing, they may not be legibly transcribed or printed, and, secondly, these documents have to be preserved for later reference, and, in the interests of the Honourable Members themselves, it is necessary that these must be in a proper and recognised form. The Chair has no doubt that every section of the House appreciates it.

Honourable Members: Quite so.

THE INDIAN STATES (PROTECTION) BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the Indian States (Protection) Bill.

Mr. Joshi.

Mr. N. M. Joshi (Nominated Non-Official): Sir, I beg to move:

"That after clause 6 of the Bill, the following new clause be added:

"7. Nothing in this Act shall be deemed to authorise any action under this Act in the interest of any State which is not declared by the Governor General in Council as possessing a properly constituted Representative Legislature."

Mr. President, the object of my amendment is to deny the protection which is sought to be given by this Bill to those States in which there are no properly constituted representative Legislatures in order to give redress to the subjects of those States and also to others for the grievances which they may have against the administration of those States. I recognise that the nature of my amendment is a radical one. But I feel that the House will agree with me that the Bill, which is before us for discussion, is of such a drastic nature that a safeguard against its evils must necessarily be a radical one.

Sir, the Bill which is before us for consideration empowers the Government of India and some other authorities with extraordinary powers. The Bill, in the first place, creates a new offence of conspiracy, not against our own Government, but against a foreign Government. Such an offence is quite new to the legislative enactments of the whole world. The Bill also authorises the executive authority in this country even to confiscate a newspaper and a printing press, not by judicial procedure, but by executive fiat. The Bill also enables the District Magistrates to prohibit assemblies of five or more persons. By clause 5 the Bill enables a District Magistrate to do anything to prevent any act of any man. I quite realise that there are words in these clauses which modify the powers which are given to the Government and to the District Magistrates. But let us remember that, with all these modifications, it is the District Magistrate who is given the powers to judge of the motives of the persons who commit certain acts. That a District Magistrate should apprehend that the object of a man who does a certain thing or who intends to do a certain thing is one, while the man who actually intends to do that act may have a different object is not a rare experience. I shall give you my own personal experience of the use of section 144. Once I went to a place in order to make peace where there was strife, in fact to end a strike that was going on for some time. I persuaded the leaders of the strikers to end the strike. They asked me to address a meeting of the workers. I went to the meeting and when I was on the point of addressing the meeting, I received an order from the Magistrate saying that my object was not a peaceful one, but that my object was to cause bloodshed, violence and other things. How did the District Magistrate know what my object was, in fact he did not know. I, therefore, feel that if Members of this Assembly will bring together all their experience of the use of section 144, they will find that not in rare cases the District Magistrates are unable to judge of the motives of the people who intend to do certain acts. I feel, therefore, that the powers which are sought to be given to the Executive Government and to the District Magistrates are so wide that it is necessary for us to create some safeguard in order that the rights of the citizens should be protected.

This Bill is intended to protect the princes against the agitation in British India. But may I ask, why does the agitation take place in British India? The agitation takes place in British India, because agitation is not allowed in the territories of Indian princes. If the Indian princes would allow a free Press to develop in their own territories, if they would allow meetings to be held in their own territories, why should the subjects of Indian princes go to British India in order to carry on their agitation? We, British Indian citizens, do not go to Ceylon or Malaya to carry on our agitation against our Government, because it is possible for us to do so from within the borders of our country. I feel that if there is agitation in British India against the acts of Indian princes, it is due to the fact

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that the princes do not allow even constitutional agitation by means of Press and by means of meetings in their own territory. Sir, I feel that it is wrong for our Government to take measures to prevent agitation by people who are politically oppressed, because it is the tradition of the British people to give shelter to those who are politically oppressed. I feel that it is wrong on the part of our Government to try to pass legislation of this kind. Sir, this legislation is aimed against two types of people, it is aimed against the subjects of Indian princes who come to British India to carry on their agitation, it is aimed against citizens of British India who sympathise with the aspirations and with the agitation of the subjects of Indian princes. The question that arises before us is, have the subjects of Indian princes any constitutional means available to them for getting redress of their grievances? May I ask, whether there is even a reign of law in the territories ruled by the Indian princes? What rights do the subjects of Indian princes enjoy? If the subjects of Indian princes do not possess any means of securing redress of their grievances, is it wrong on their part to start agitation in order that their rights may be safeguarded, in order that their grievances may be redressed? The Honourable the Law Member stated that we, in British India, have a duty towards the Indian princes who are our neighbours. In the first place, I would like to ask, under what obligation, we, the citizens of British India, are to the princes who rule over certain territories in this country? Do the princes recognise any rights of ours? Do they help us in any manner possible? If the princes will recognise our rights, if the princes will give us constitutional rights, certainly it will be for us to see that if they need protection, we should give them that protection. It is true that these princes are our neighbours, but their neighbourhood is of no use to us. On the other hand, it is the neighbourhood of the Indian princes that compels us to start agitation against the misrule in the Indian States, because we feel that misrule is like a contagious disease. If there is plague in one town, the people of other towns must take precaution that the plague does not spread to their towns. It is a well known fact that there is misrule in the territories of the Indian princes, and we fear that if we allow the misrule to continue, it is quite possible that that misrule may travel to the neighbouring British Indian territories. It is, therefore, absolutely necessary that we should take care that the neighbouring territories of the Indian princes have a constitutional form of Government and that there is no misrule in the territories of the Indian princes.

Sir, both in Simla and in Delhi, the Honourable the Home Member said that we, the people in British India, should reconcile ourselves to the fact that there will be autocracy in Indian States. He also said that there was no opposition in this Legislature to the principle of autocracy. I was surprised that a representative of Great Britain in this Legislature should try to defend the principle of autocracy. Sir, Great Britain and the British people have waged a continuous struggle for over five centuries to put down autocracy in their country. I was, therefore, surprised to find the Home Member telling us that we should get reconciled to autocracy. It seems to me that my friend, Sir Oswald Mosley, has obtained followers beyond the boundary of Great Britain. Sir, we are opposed to the principle of autocracy; we feel that autocracy is bound to lead to misrule. If the princes are allowed to be autocratic, they will certainly spend public money for private pleasure, and there will be no

security either for life or property within their territories. Evils like forced labour exist within the territories of Indian princes, because there is autocracy. I, therefore, hold strongly that if this kind of misrule and if these evils are to be put an end to, it can only be done by the establishment of constitutional democracy within the territories of Indian princes. And I feel that it is not only the duty of the citizens of British India and of the subjects of Indian States, but it is the duty of the British Government in our country to help towards the establishment of democracy within the territories of Indian princes. It is a well known fact, and it is a fact recognised by all people, that these Indian princes will not continue to rule over their territories even for six months if their position is not defended and protected by the Government of India. If that is a fact,—and I hold it is a fact,—is it not the duty of our Government to see that these Indian princes rule their territories constitutionally and according to the principles of democracy? I hold, Sir, that it is the duty of our Government to see that that is done. On the other hand, the Government of India are indifferent to the establishment of constitutional Government in the territories of Indian princes. Not only that, but may I ask the Government of India whether there is any other remedy, either for the subjects of the Indian princes or for the citizens of British India, by which their grievances may be redressed and their rights protected? Sir, we know that we have a Political Department.

My Honourable friend, the Raja Bahadur, asked a definite question of the Political Secretary to state clearly whether the Political Department has got power to redress the grievances either of the subjects of Indian princes or of British citizens. Sir, we realise and we admit that the Political Department and the Government of India possess the power to interfere in the administration of Indian States if there is serious misrule in the Indian State. But for an individual act of injustice committed by the ruler of an Indian State, the Political Department can only make representations. The Political Department has no right to compel the ruler of an Indian State to do justice. If the Political Department does not possess any authority or power to render justice against the injustices committed by the rulers of Indian States, when these injustices and grievances did not accumulate into a grave menace, is it not right that the Government of India and the Legislature should help in the establishment of a Constitutional Government within the territories of the Indian princes? Sir, I would like to know whether the Government of India and the Political Department are satisfied with the kind of administration that exists within the territories of the Indian princes. I feel, Sir, that even the Government of India and the Political Department are not satisfied that those administrations of the Indian princes are such that confidence should be placed in them by the subjects of Indian States and by the citizens of British India. Sir, there is only one proof whether the Political Department and the Government of India have sufficient confidence in the integrity and efficiency of the administration of Indian princes, and that proof is whether they will allow the European subjects of His Majesty to be tried by the Courts in Indian States or by the rulers of Indian States. It is a well known fact that no British subject of His Majesty is allowed to be tried by any Court within the territory of the Indian princes. He is not allowed to be tried even by the rulers of Indian States, and may I ask, why this is so? The answer is that the British Government, the Government of India and the Political

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Department do not consider that the Courts in Indian States and the rulers of Indian States can be trusted to do justice to the European subjects of His Majesty. If that is so, if the European subjects of His Majesty cannot be handed over to be tried by the Courts of Indian princes and by the rulers of Indian States, may I ask, if it is equality of citizenship that British Indian subjects and the subjects of Indian States should be left to the tender mercies of the Courts and the rulers in British Indian States. Sir, the Government of India are not just to themselves if they say that the life and liberty of British European subjects are so important and so much more valued by them that they cannot leave them to the protection of the Indian princes and of the Courts in the territories of Indian princes, but that they can leave the life and property of the Indian citizens of British India and of the subjects of the Indian princes in the hands of the Courts in Indian States and of the rulers of Indian States. I feel, Sir, that if, in the opinion of the Government of India and the Political Department, the administration of Indian States is so good that our life and liberty can be left safely in their hands, let them also place the European population of this country in the same position. I am sure, that will not be done. I feel, Sir, that if our Government do what I am suggesting by my amendment and insist upon the establishment of a constitutional democracy within the territories of the Indian princes, it will not only safeguard the rights of the subjects of Indian princes and of the citizens of British India, but I feel sure, that the time will come when our Government will have no hesitation to safely leave the European subjects of His Majesty in the hands of the Courts of Indian States and of the rulers of Indian States.

We are told that it is wrong for a newspaper in British India to create contempt towards the Administration of an Indian State. May I ask, if the preservation of the special privileges of the British European citizens is not a standing mark of contempt towards the administration of the Indian princes? If the newspapers create contempt for the Indian princes, it is only occasionally that they do so. I, therefore, feel that if the princes are to be protected against any contempt to be created for their administration, the first thing necessary to be done is to establish such a constitution within the territories of Indian princes that there will be so much confidence in the administration of those States that the Government of India can safely entrust the interests, not only of the subjects of Indian States, not only of the citizens of British India, but even of the British European subjects of His Majesty. I feel that the Government of India, in allowing this Bill to pass without the safeguard which I am suggesting, will be doing a great mistake and a great wrong. The arguments which they have used in order to justify this legislation do not carry much weight. It has been said that legislation of this kind is necessary in order to preserve the unity of India. It is also said that this legislation will be of great help in the establishment of a Federation in India. I feel that the unity of India and the interests of the Federation will be better served if my amendment is accepted. If there is Constitutional Government, if there is a well recognised and well constituted Legislature in every territory ruled over by an Indian prince, as we have in all the Provinces in British India, there will be greater unity and there will be a better Federation in the future. What kind of Federation can

we expect when a part of the Federation is ruled autocratically and another part of the Federation is ruled democratically.

It has been said that this legislation is necessary in order that there should be reciprocity between British India and the Indian States. Who is against reciprocity between British India and the Indian States? Not we. It is the rulers of Indian States who are against reciprocity. The subjects of Indian States are treated as British citizens when they come to British India. May I ask, if the citizens of British India are given the rights of citizenship when they go to the territories of the Indian States? The subject of an Indian State, when he comes to British India, gets the franchise and he votes in the elections. I recently saw a constitution framed for the benefit of a State and I saw that British Indian citizens will have no franchise when they go to the territory of that Indian prince. Let us have reciprocity in the rights which are to be enjoyed by the subjects of Indian princes and citizens of British India. We are not against that reciprocity; but the only reciprocity that the princes are willing to give is the reciprocity in depriving the citizens of British India and the citizens of Indian States of their freedom. We do not want that reciprocity. We stand for real reciprocity between British India and Indian States. At least let us have reciprocity in all matters.

It is also said that this legislation is necessary to protect the Indian princes against blackmail. I have dealt with that subject in one of my previous speeches, but I shall say on this occasion that if the proposal in my amendment is accepted, there will be very little room for blackmail. The Indian princes today are willing to give blackmail, because they have large amounts of money at their disposal which they can spend without letting the public know. But if there is Constitutional Government in the territories of Indian princes, it will not be possible for them to find large amounts of money to be spent in blackmail. I, therefore, feel that the establishment of Constitutional Government within the territories of Indian princes will be a safeguard for the princes against blackmail. I hope, therefore, that the amendment which I am proposing, namely, that the protection of this measure should be given only to those princes or to the administration of those Indian States which possess a properly constituted Legislature is an amendment which will protect the rights of the Indian princes. It will protect them; it will increase their status; the disability from which they suffer, namely, that they have no jurisdiction over the European subjects of His Majesty, will disappear. They will be protected against blackmail; they will even secure reciprocity, and that will further the cause of the Federation. Besides that, if the proposal contained in my amendment is accepted, the rights of the subjects of Indian States will be protected, the rights of citizens of British India will also be protected. I, therefore, feel that my amendment should be accepted by the Government of India and by all sections in this House, and I hope it will be accepted.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:|

"That after clause 6 of the Bill, the following new clause be added :

"7. Nothing in this Act shall be deemed to authorise any action under this Act in the interest of any State which is not declared by the Governor General in Council as possessing a properly constituted Representative Legislature'."

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Kural): Sir, we have been losing battles after battles in this House in fighting for our rights, for the rights of the Press, for the rights of individuals and for the rights of the whole of the Indian population

An Honourable Member: It is a sham fight.

Mr. Muhammad Azhar Ali: My friend says that it is a sham fight, but my own conviction is that it may appear to be a sham fight to those who have not got the interest of the Indian public at heart; it will appear to be a sham fight to those who are callous to our interests, to our rights and also to those who are mindful of their own selfish interests. Sir, it does not matter whether we lose by votes in this House or we do not divide on certain questions, but as long as we fight for our rights and do not succeed and unless and until the rights of British Indians are safeguarded, there is no hope at least for the future Constitution to work smoothly and harmoniously. Sir, all subjects or matters connected with Indian States were hitherto banned for us to be discussed in this House, but the passing of this enactment will, I presume, bring the Indian States now and then for discussion in this House. If there are any Indian subjects who merely out of sympathy or for some reasons better known to themselves, do things contrary to the provisions of this Act, then all such acts will be a subject matter of discussion in the British Indian Legislature. The Indian Courts will in future have to take full cognisance of all actions done in Indian States by British Indians, just as much as the Courts do take notice of things done by people in British India. If there are any matters which have been decided by the Executive Courts that require to be taken to the High Court, or if there is any extra expenditure to be undertaken in connection with these cases by British Indian Courts for the purpose of supporting and safeguarding the interests of Indian princes, then all such matters will have to come up before Local Councils or this House, and in this way affairs in Indian States, which were hitherto banned for discussion, can in future be discussed in this House and this House will have a full right to deal with all those subjects. When such subjects come up for discussion, naturally this House will have every right to criticise the conditions prevailing in those States, the position of the ruler of the State; in fact all his actions will be a subject matter for discussion and criticism in this House. The private or public actions of the princes of Indian States will all have to be discussed on the floor of this House.

Now, Sir, the amendment of my friend, Mr. Joshi, is not put forward to oppose or to thwart in any way the attempts of the Government to safeguard the interests of the Indian princes; on the other hand, the acceptance of this amendment will help the Government to attain the object they have in view. This is a very salutary amendment, and it merely aims at safeguarding the interests of British Indians and nothing more. I ask the Honourable the Home Member to say in what way does it go against the provisions of the Bill. We are not opposing any clause of the Bill; the amendment does not seek to oppose the Government proposals at all. It only claims to protect the interests of the subjects of British India. Sir, if we do not rise to the occasion and support our

own interests, if we do not rise to the occasion and support our own people, I do not see what we are here for. Having had a little experience myself of Indian States, I can say that, though it may be said that most of the Indian States have copied the laws prevailing in British India, that they have translated the laws of British India into their own vernaculars, I mean laws like the Indian Penal Code, the Criminal Procedure Code, and so forth, yet it is really a matter of great regret that in most of the Indian States these laws are not properly followed. You will find that the accused have not only to stand the trial in the ordinary course, but in many cases they are kept in jail for years and years without trial. Can such a state of affairs exist in any constitutionally governed country? Can anybody say that such States are working under a constitutional law?

An Honourable Member: Come to Bengal and you will see that people are kept in jail for years without trial.

Mr. Muhammed Azhar Ali: And to say that we should be on a par with those Indian States which have no constitutional law is really a matter for regret. Placed as we are, we live under a Constitution, we are here to enact constitutional laws. Moreover, now we are going to be on the same level as other democratic countries after the new Constitution comes into existence, and it is not right to say to British Indian subjects that they should enact such laws which may make them equal in every way, in respect of constitutional laws, to subjects of Indian States who have no Constitution. I shall give in illustration England itself, which is a constitutional country. How will England behave towards her neighbours who have an imperfect Constitution? She will never behave with her neighbours who are unconstitutional in a constitutional manner. Then, why are we forced to cut our throats for the interests of others—though it may be of Indian princes or Rajahs and Maharajas, and why should we allow Indian subjects to be subjected to such oppressive laws? I am sure that if today England were to be asked to enact for her neighbours in the manner in which we are asked to enact for the Indian princes, English people will never agree to have such laws enacted in their own country. They may have favourable treaties with other nations, but they will not agree to have such oppressive legislation as we are expected to have under this legislation.

Sir, again, our judiciary is required to sit quiet and the executive is given such powers which will be absolutely unconstitutional simply to safeguard the Indian princes, whose laws, whose actions and whose treatment of their own subjects are not constitutional. The duty of the British Government—everywhere, I find, is and has been—every day I read in the papers—to safeguard the interests of Britishers, not only economically and not only commercially, but also, if necessary, by means of arms, by resort to invasions and wars. But what are we experiencing here? Even the simple elementary rights of citizenship are to be denied to us in the interests of Indian princes. I am not one of those who say that the person of Indian princes, their honour, their word, their law and their State should not be saved. If the Indian Government is so powerful as to save, not only the Indian princes, but just as we did during the War, we saved the British nation, we saved

[Mr. Muhammad Azhar Ali.]

France (A Voice: "Belgium particularly") and as my Honourable friend, Mr. Mitra, says, Belgium particularly, we shall be proud of saving the Indian princes. But by what method? Not by cutting our own noses and giving up our rights even, simply to protect the unconstitutional condition of these States. My aim—and it is also the aim of my Honourable friend who has moved the amendment—is not to oppose this Bill. We cannot oppose it now, it has been passed practically, but it is only to put a rider to the Bill to protect the interests of British Indians that this amendment is being moved. I support the amendment of Mr. Joshi.

Khan Bahadur H. M. Wilayatullah (Central Provinces: Muhammadan): Sir, the amendment proposed by my Honourable friend, Mr. Joshi, does not seem to me to be one which could be adopted without redrafting the whole of the Bill. This amendment says:

"Nothing in this Act shall be deemed to authorise any action under this Act in the interest of any State which is not declared by the Governor General in Council as possessing a properly constituted Representative Legislature."

Perhaps we shall have to add a clause in order to define what a properly constituted Representative Legislature is, and the present constitutions of the Indian States will have to be examined in the light of that definition in order to find out to which States the protection given by this Bill will apply and to which States it will not apply.

Sir, a great deal has been said in favour of and also against the provisions of this Bill. I have not been able to understand one thing. The whole question is that the rulers of Indian States are to be protected against vilification, in British India, of themselves or their administrations. Reciprocity, according to me, means that Indian States cannot similarly go on indulging in vilification of British Indian administration in British India. Supposing we allow criticism to go on which is done for the purpose of blackmailing or with the object of creating hatred, contempt or disaffection towards an Indian State, what would be the effect if an Indian State allowed an organisation of the same kind to exist within its own territory carrying on its activities against the British Indian administration in British India? Perhaps the ruler would be in danger of losing his position on the *gadi*, and it cannot be said what other consequences there would be. I think that in fairness we in British India should not allow improper criticism of the administration of Indian States with the object of creating hatred, contempt or disaffection. If anybody merely made statements of facts without any malicious intention, it would not come under the purview of this Bill.

I do not quite understand why my Honourable friend, Mr. Joshi, has brought in this amendment. If we adopt this new clause, then, in my opinion, it will be necessary to redraft the whole Bill and it will entail a lengthy process. For this reason, I oppose the amendment.

Maulvi Muhammad Shafee Dacodi (Tirhut Division: Muhammadan): I rise to support the amendment which has been so ably moved by my Honourable friend, Mr. Joshi. He has given sound arguments, very valid arguments in favour of the amendment. The objection that has just

been raised by my Honourable friend, Khan Bahadur Hafiz Wilayatullah, seems to me to be misconceived. It appears to him that the clauses of the Bill will have to be examined as to which States they will apply and to which States they will not apply, or that they will have to be re-drafted in view of what this amendment says. Nothing of this sort appears to me to be necessary, because very clearly the amendment says:

"Nothing in this Act shall be deemed to authorise any action under this Act in the interest of any State which is not declared by the Governor General in Council as possessing a properly constituted Representative Legislature."

It does not mean anything more than that the benefit of this Act should be given only to those States which have got a properly constituted Representative Legislature, and, in view of this, there should be no difficulty in the mind of my Honourable friend that this amendment upsets the whole structure of the Bill. I shall only add a few observations of my own in support of my Honourable friend, Mr. Joshi. My experience of the last four or five years since the talk of All-India Federation began, is that the States have found out the inherent difficulty in which they are at the present moment, so far as their administrations are concerned. They feel that they are being dragged in a chariot in which one of the horses is the British Indian Provinces and the other the Indian States. They feel that they cannot go on well with them unless they have some sort of uniformity between the two, and they have been thinking of recasting their administrations to suit the necessities of the times. We have found Kapurthala going so forward in reconstituting the administration of the State. I myself saw the other day the reconstitution of the State of Rampur where a reign of law is going to be established, and all attempts are being made to bring it into conformity with the genuine nature of democratic institutions. There are many things which are sham in the administration of British India, and I do not want that the Indian States should copy the sham part of British India, but only that part of it which is really genuine and helpful to the people of the States.

Now, that tendency which has been growing in the Indian States will suffer in consequence of this Bill. If the Bill makes them realize that, without any change in their administration, they will be protected by the bayonet of the British Government, I do not know what impetus there will be for these States to improve their administration. I cannot think that the Honourable the Home Member would not have considered this aspect of the matter. This amendment of Mr. Joshi wants to extend the protection to those States which are on the road to improvement in their administration. I think, if the Bill is passed without an amendment of this sort or any other compromise that may be arrived at, it will simply put a premium on the inefficiency of the Indian States and they will be secure then in the knowledge that the responsibility will not rest with them. History will throw the whole responsibility on this House which is going to pass this Bill and on the Home Member and the Political Secretary sitting there to pilot this Bill. I, therefore, earnestly appeal to the Members on the Treasury Benches to look to this aspect of the case and arrive at some sort of compromise on the principles which underlie the amendment of my friend, Mr. Joshi.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): I rise to support the amendment so ably moved by my Honourable friend, Mr. Joshi. The object of this Bill is to protect the Indian States from scurrilous attacks in the Press against the rulers and their maladministration and also to prevent *jathas*. As regards *jathas*, I think we all agree that there should be some provision to stop them. Now, the amendment proposes that there should be a Responsible Legislature in the Indian States. If the Indian States have got Responsible Legislatures, then the necessity of making any attacks in the Press against the rulers will not arise. So it is incumbent on the Government to see that those States who want protection from the British Government from attacks against them in the Press must have a Responsible Legislature.

Now, I want to place some of the grievances of our own community, the Jain Community, against the Indian States. I think the Government are aware that most of our ancient temples and sacred places of pilgrimage are situated in many of the Indian States. There are Jain temples in Palitana, Bhavnagar State, Jaisalmer State, Jaipur, Udaipur and many other places. Occasions arose when there were interferences by the Indian States in connection with the temples. I may cite the case of Palitana. A few years ago, the State of Palitana imposed a poll tax on all pilgrims going there. Now, as a protest against that, the Jain communities throughout India decided not to go there and if no settlement would be arrived, they wanted to send a *jatha* against the State; but through the efforts of several leading men from our community and the British Government, a settlement was arrived at. As a result, we had to pay Rs. 60,000 a year to the Palitana State, whereas, formerly, we used to pay Rs. 15,000 a year. I might again give a recent example in the Udaipur State. In the temple of Rikhabded, there is a large fund worth several crores and the Rana of Udaipur has taken over all the funds and what guarantee is there that the money may not be squandered, and as a protest against it, our Sacred Saint Shri Shanti Suriji Maharaj began his fasting, and, after the lapse of many days of his fasting, the Rana of Udaipur has promised to look into the matter and settle the disputes. I do not know how far this will be successful. If such interference takes place in the Indian States, what remedy we in British India have? We must agitate in the Press against those rulers, and if we are debarred from making any agitation, how are we going to get the redress of our grievances? Will the Government or the Political Secretary give a guarantee that the funds of our temples are not dissipated by the Indian States, but there is no guarantee now. For all these reasons, if the Indian States want protection from attacks in the Press, they must have a Responsible Legislature in the States. Otherwise, they cannot expect any protection against the Press in British India. With these words, I support the amendment of my friend Mr. Joshi.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): I am as anxious as my friends, Mr. Joshi and Maulvi Shafce Daoodi, to see that the administration of the Indian States is improved. I shall indeed be very pleased when I see that properly constituted Legislatures are established in these States; but if we go carefully into it, we shall find that the amendment of my friend, Mr. Joshi, is not only impracticable, but absurd.

In the first place, I doubt very much if this Legislature has got the power to impose any condition upon the administration of the Indian States. I doubt very much if we in this House can pass any law forcing

the Indian States to run their administration in a way we like. Probably this House would be usurping the functions of the Federal Structure Committee if we pass an amendment like this. Then, again, if we admit that a person, or a community, requires protection, is it the duty of the Legislature to see that the character of that person or that community is blameless. Is it the function of the Legislature to see that the person who needs protection and to whom we are giving protection has a character without any black mark at all? If a dacoit or a habitual criminal is assaulted by any person or any offence is committed upon him, will the British Courts of justice refuse to give him the protection of the law, because his own character is full of black marks? I think if we accept that proposition, there will be no justice in this world, and chaos will ensue. You cannot refuse protection even to the most wicked man in this world if he needs protection. You cannot mix the two things. It would be absurd to impose any condition for giving protection by saying that it will be conditional upon the character of the man or the community to which the protection is given. If you admit that, in certain cases, the Administration of an Indian State requires protection, you cannot make it conditional, you cannot impose any condition that that protection will be given only on such and such conditions. Then, again, if you go thoroughly into this amendment, you will find that it will not serve the object which my friend, Mr. Joshi, had in his mind. He says: "which is declared by the Governor General in Council as possessing a properly constituted Representative Legislature". Now, will my Honourable friend, or Maulana Shafee Daoodi, accept any Legislature which is declared by the Governor General as a properly-constituted Legislature? Have we not in this very House heard voices raised many a time demurring to such a proposition? How many times has the representative character of this Assembly itself been challenged? We find that the Congress people in the country do not recognise this Assembly as being a representative institution. Although the Viceroy has been crying from the top of his voice that this is a properly-constituted representative Assembly, still, if you read my friend, the Maulana Sahib's speeches of 1924 and 1925, you will find many passages in his speeches in which he has said that this Assembly was not a properly-constituted Assembly. If such objections can be raised against this Assembly, how will a simple declaration by the Governor General satisfy people, or my friend, Maulana Shafee Daoodi, that the State concerned has got a properly constituted Legislative Assembly and the Act should be applied to it? This is all absurd. Then, what is a representative Assembly? The elected Members of this Assembly were nominated by the Viceroy or the Secretary of State to proceed to London as members of the Round Table Conference. We raised objection in this Assembly that they were not our representatives, that they were not elected by us, and, therefore, we did not recognise them as our representatives. What is the guarantee that if an Assembly is appointed or nominated by the ruler of an Indian State, the people will not say that it is not a properly constituted Assembly, that it does not represent the voice of the people? So many objections would be raised that I think it would make the application of the Act impossible and, therefore, I submit that the amendment which has been moved by my friend, Mr. Joshi, should not be adopted. In the first place, in fact, I doubt very much if this House is capable of discussing this amendment, and, in the second place, after going through the details of the amendment, I find that it is impracticable and absurd, and I oppose it.

The Honourable Sir Harry Haig (Home Member): Sir, my Honourable friend, Sir Muhammad Yakub, has put very cogently some of the objections to my Honourable friend, Mr. Joshi's amendment, and I do not wish to repeat them all. My Honourable friend, Mr. Joshi, proposes that the protection of this Bill should be confined to those States which are declared by the Governor General in Council as possessing a properly-constituted Representative Assembly. In effect, my Honourable friend really means that the Government of India should not recognise, as worthy of existence, any Government in any State in India which has not a properly-constituted Representative Assembly. That, I think, is clearly the intention of my Honourable friend, for we are taking by this Bill only what we regard as the minimum powers necessary for the fulfilment of our elementary obligations towards our neighbours and our elementary obligations to maintain the peace of India as a whole—British India as well as the States—and yet my Honourable friend suggests that if an agitation, a dangerous agitation, a revolutionary agitation is directed against a State that has not a Representative Assembly, we are to sit silent and inactive and allow that revolutionary agitation to develop. That is a very drastic proposition. And, after all, on what does my Honourable friend rest his justification for such a sweeping proposition? It is, really, that no Government can be considered a reasonable Government that has not got a Representative Assembly! I seemed to hear, when I listened to Mr. Joshi, a voice of the nineteenth century speaking. At that time people regarded the British Constitution with such unbounded faith and admiration as the only possible Constitution, not only for the British Empire, but for all peoples and all conditions. Well, Sir, I have tried to argue before, in the course of our debates, that there are other forms of Constitution which are not unworthy of our respect, and I maintain that position.

Mr. N. M. Joshi: Communism.

The Honourable Sir Harry Haig: If the suggestion is that it is only through a Representative Assembly that the grievances of a people can be brought to notice, there, again, I would join issue with my Honourable friend. My Honourable friend, the Political Secretary, has already made it clear that in the Indian States there are facilities, perhaps greater facilities than exist in British India, for people to represent their grievances to their rulers direct, and if that can be done and done in accordance with the traditional ideas of the people, then I do not think there is any necessity for us to force a particular form of representation of grievances through a Representative Assembly upon them.

I do not think I need add anything more. The amendment really strikes at the root principle of our proposals, which is that, in the interests of the peace of India as a whole, we must prevent attempts to overthrow lawfully-constituted Administrations by revolutionary means. Sir, I oppose the amendment. (Applause.)

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That after clause 6 of the Bill the following new clause be added:

"7. Nothing in this Act shall be deemed to authorise any action under this Act in the interest of any State which is not declared by the Governor General in Council as possessing a properly constituted Representative Legislature'."

The motion was negatived.

Mr. K. O. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I beg to move:

"That after clause 6 of the Bill the following new clause be added :

'7. No Court shall take cognizance of any offence punishable under section 2 unless upon complaint made by order of, or under authority from, the Governor General in Council or the Local Government'."

This amendment is intended to supply an omission which was due, I take it, to an oversight of the Select Committee. Honourable Members are aware that clause 2 of the Bill, as amended by the Select Committee, has taken the place of a proposal to amend section 121A of the Indian Penal Code, but if we had adopted the original proposal, there would have been no necessity for a specific clause of the character which I propose to be added to this Bill, because, under section 196 of the Criminal Procedure Code, the sanction of the Governor General in Council or the Local Government was a condition precedent to the taking of cognizance of any offence punishable under that section. But, as we have chosen to create an independent offence under clause 2 of the amended Bill, this particular safeguard becomes necessary to be mentioned specifically. I might mention that the language of the clause, as I propose to be added, has been bodily taken from section 196 of the Criminal Procedure Code and that in the States (Protection) Act of 1923 also there is a somewhat similar provision to be found. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That after clause 6 of the Bill the following new clause be added :

'7. No Court shall take cognizance of any offence punishable under section 2 unless upon complaint made by order of, or under authority from, the Governor General in Council or the Local Government'."

The Honourable Sir Harry Haig: Sir, on behalf of Government, I accept the amendment proposed by my Honourable friend, Mr. Neogy, for the reasons which he has so clearly explained to the House.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That after clause 6 of the Bill the following new clause be added :

'7. No Court shall take cognizance of any offence punishable under section 2 unless upon complaint made by order of, or under authority from, the Governor General in Council or the Local Government'."

The motion was adopted.

New clause 7 was added to the Bill.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That clause 1 stand part of the Bill."

Maulvi Muhammad Shafee Daoodi: Sir, I move:

"That after sub-clause (3) of clause 1 of the Bill the following new sub-clause be inserted:

'(4) This Act shall remain in force for a period of two years, but the Governor General may at his discretion, by notification in the Gazette of India, extend the period by another one year'."

Sir, I do not wish to dilate upon this amendment. We have already had so many defeats on this Bill. The object of my amendment is to shorten the period which is fixed as this is the period of repression of British Indian subjects. With that object, I have proposed this amendment. I do not want to say anything more.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That after sub-clause (3) of clause 1 of the Bill the following new sub-clause be inserted:

'(4) This Act shall remain in force for a period of two years, but the Governor General may at his discretion, by notification in the Gazette of India, extend the period by another one year'."

The Honourable Sir Harry Haig: Sir, whatever may be the view eventually taken about the duration of the Press provisions, I think the House will recognise that the conditions we seek to prevent by the other provisions of this Bill, such as, the formation of conspiracies, the organisation of *jathas*, are not temporary conditions, but permanent conditions which must be provided against by a permanent Statute. Sir, I oppose the amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That after sub-clause (3) of clause 1 of the Bill the following new sub-clause be inserted:

'(4) This Act shall remain in force for a period of two years, but the Governor General may at his discretion, by notification in the Gazette of India, extend the period by another one year'."

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That clause 1 stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Title and the Preamble stand part of the Bill"

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I have tabled three amendments comprising the same subject, and, so far as the last amendment (No. 7*) is concerned, I think it is somewhat incomplete, and, therefore, I shall abandon it. With your permission, and if there is no objection, I shall speak upon both of my amendments, Nos. 4 and 6. Sir, I have tabled . . .

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member should first move his amendment.

Raja Bahadur G. Krishnamachariar: Sir, I beg to move:

"That in the Preamble of the Bill, before the words 'States in India' the word 'Indian' be inserted, and the words 'which are under the suzerainty of His Majesty' be omitted."

The alternative amendment is:

"That in the Preamble of the Bill, for the words 'which are under the suzerainty of His Majesty' the words 'which are in alliance with His Majesty' be substituted."

Sir, the reason why I tabled these amendments was that in the course of the discussion on the earlier part of the Bill, the Honourable the Law Member, in answer to my question, stated that these words "which are under the suzerainty of His Majesty" do not really mean anything or very much, but they are only used to identify the objection of the protection, that is to say, the person, the individual or the institution which they set out to protect. If that is the only object and if all that the Government desire to do is to identify the person whom they want to protect, then I think they ought to accept straightaway my amendment which says:

"That in the preamble of the Bill, before the words 'States in India' the word 'Indian' be inserted."

I have put in that amendment, because we have always been saying something about the British India and the Indian India, and if the word "Indian" is added there, I think it will amply suffice to identify the institution or the person whom they want to protect.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): What about Nepal?

Raja Bahadur G. Krishnamachariar: Nepal is not under the suzerainty of His Majesty the King-Emperor.

An Honourable Member: Why not?

Raja Bahadur G. Krishnamachariar: Because it is not. There is no question of why in that case. Whether this Bill is intended to apply to Nepal or not, I do not know. I am only concerned with the Indian States about which there is absolutely no doubt in the mind of my Honourable friend, the Political Secretary, and also in my own mind and in the mind of the Law Member. So, if your idea is only to identify the persons

*"That in the Preamble of the Bill, the word 'suzerainty' be omitted."

[Raja Bahadur G. Krichnamachariar.]

or institutions, simply use the words "Indian States" and you are rid of all the bother. But if you want an elaborate legal phrase with all involved constructions, then say "which are in alliance with His Majesty". Then, Sir, all the difficulties [would be solved. But that, I submit, is not the object of the Government. The Government for sometime past had been adding up to the pile of their expressions and legislative enactments which slowly introduced this question of Paramountcy about which they are not yet sure—I say that advisedly—and this is one of those sections by which, although they say, it does not mean anything at all, yet that is their real object. As a matter of fact, in the course of the discussion, the Honourable the Law Member referred us to a definition in the General Clauses Act of the word "India" and he said: "You say now what we said long long ago in 1895. We have already stated what you now object to, and there is no point in your objection". My Honourable friend, Mr. Neogy, with his great and untiring industry, traced the origin of this definition to the Manipur Resolution. He said, in the Manipur case the Government of India had taken a decided stand and he thought the definition of "India" in the General Clauses Act was the result of that decision made by the Government of India. Whatever the reason may be, you see the danger of allowing these sorts of things to go on without a protest. I do not say it would be a successful protest, I do not imagine it would be. I have been asked why I have put forward this amendment, because there is no use in doing so. My answer to that is, "what is the use of this Assembly at all?" Have we been able to succeed in any of our endeavours when the Government have set their faces against us? Therefore, do not put that question to me. No. one is entitled to put that question to me. But the position is, and history supports me in my view, that those who represent the people's cause have not succeeded in a day, they have not succeeded in a year, but slowly and surely time after time they put forward their position and at last a time comes when those who are responsible for the Government of the country will stand up and say: "Is this all you want, we are quite prepared to grant it to you". In order to produce that atmosphere, you must go on speaking and speaking, agitating and agitating, and that, Sir, is my reason for putting this forward.

Another instance that I would cite is what the Honourable the Home Member himself stated with regard to the protection of the Press which the Honourable the Leader of the Opposition pressed with such force, and the Honourable the Home Member in that persuasive manner of his said: "Oh! what does it matter, we had this provision from 1910 to 1922, did you object? No. Then why go and kick against it". That, Sir, is the harm, that is the danger in allowing things to quietly slip into legislative enactments, because, by some irony of fate, they always begin to raise their head at an inconvenient moment, and unfortunately we have got to bow our heads and say: "Yes, it is perfectly true", and then find out if there is any argument at all.

Another thing that this Legislature has done, I mean its predecessor, and which it had been doing for a very long time until in 1902 their eyes were opened to the illegality of their procedure, and that is in connection with the Foreign Jurisdiction and Extradition Act, that used to exist, I believe from 1877 or 1878, I do not remember the exact year. In the olden days, before the Extradition Act was passed in 1903, there was the

Foreign Jurisdiction and Extradition Act. Between 1877 and 1902, for a whole quarter of a century, actions have been taken, proceedings have been instituted and a good many orders have been passed, I am sorry to say, greatly to the prejudice of these Indian princes, when, at last, on a reference made by one of the important States in Southern India, the question had to be referred to the Law Officers of the Crown in England and the Law Officers of the Crown in England said that the Indian Legislature in enacting this had acted *ultra vires*. The Indian Legislature promptly repealed that Act and confined its operations to the Extradition Act alone. I submit it is not in every case that a need appears in an Indian legislative enactment which is good or correct for making a reference to the Law Officers of the Crown every time after the phrase is used by the Indian Legislature. I, therefore, submit that this sort of expression ought not to be allowed to go unchallenged. I need not point out other instances where this Legislature has taken upon itself the right of making declarations which the Privy Council has declared to be *ultra vires*. I can cite so many instances, but I need not do so. The justification for my statement is that the insertion of this phrase is not for the innocent purpose stated by my Honourable friend, the Law Member, but that it is a part of the policy of introducing this question of Paramountcy is quite clear from the speech of the Political Secretary where he stated that he was not concerned with what the position ought to be in the relation of the Indian States with the Government of India, but he addressed himself to stating what is that position and what that accepted position is. May I respectfully ask, who accepted that position? I know that the Government of India state that, they have been stating that over and over again, and because you have repeated it very many times, it does not become correct, and that is the reason why I do not allow you to repeat it without at least a challenge, and that is why I have tabled the amendment and stood up to support it with what material I could and place it before this House.

Now, I come to the speech of my Honourable friend, Mr. Neogy, which, when I read the other day, seemed to be entirely or practically entirely devoted to a criticism of a certain proposition that I had the misfortune to lay before this House. Before I proceed to a few of them—I am not going to deal with the entire lot of them—before I deal with some of them, there is just one observation of his that I am quite in agreement with, that is, international lawyers have not yet succeeded in defining exactly the position of the relation of the Indian States with the Crown or with the Government of India. That is perfectly right for the simple reason that international lawyers whenever they consider this question, go and deal with it upon the only ground that they know of what an international question of law should be, and finding that they could not dove-tail this thing into their own idea, they say, they are at a loss to decide what it is. That is not, I submit, the peculiarity of the lawyers alone. In the scientific field, when Sir Jagadish Chandra Bose started his discoveries, there was a dead set against him: it was the same thing with Sir C. V. Raman when he first made his discoveries, although they were approved of later on in the scientific field. But, in the sphere of international law, there has been no pressure brought to bear upon the Government of India, and they go on writing their resolution, they go on making their declaration. It is nobody's business to controvert it, or, if it was controverted, it was consigned to the waste

[Raja Banadur G. Krishnamachariar.]

paper basket as coming from a person of whom they were not afraid. So, I submit, Sir, these things have been piling up and the international lawyers, although they occasionally say that it is not an exactly international position, have not been able clearly to locate the position in international law of all these Indian States.

I shall now immediately deal with this right of interference which has been claimed as a portion of an important constituent of the right of Paramountcy. Sir, I make bold to assert that until the Mutiny there has not only not been raised any such claim of the right of interference, but it has been vigorously repudiated. The first is the statement made by the Marquess of Hastings who expressly repudiated any claim of Paramountcy which justified interference in internal affairs. This is what the Governor General in Council said:

"In the second paragraph of your first letter, you say that 'you suppose our interference in the Nizam's affairs to be not merely right but also a duty, arising out of our supremacy in India, which imposes on us the obligation of maintaining the tranquillity of all countries connected with us, and consequently of protecting the people from oppressions, as no less necessary than the guaranteeing of their rulers against revolution'. The assumption of our possessing an universal supremacy in India, involving such rights as you have described, is a mistake. Over States"

—and I want Mr. Neogy's particular attention to this—

"which have, by particular engagements, rendered themselves professedly feudatory, the British Government does exercise supremacy;"

I understand my Honourable friend saying here with some force that there are treaties with Indian princes where they have admitted themselves to be feudatories. I have no quarrel with those persons; if they say they are feudatories, why should I interfere between them and the Paramount Power?:

"but it never has been claimed, and certainly never has been acknowledged in the case of Native Powers standing within the denomination of allies."

And I want also this sentence to be specially noted in justification of my position that the interference by the Government of India is a sort of *zabardusti*:

"Although a virtual supremacy may undoubtedly be said to exist in the British Government from the inability of other States to contend with its strength,"

—If you cannot contend with the strength of the British Government and if the British Government want you to do a certain thing, that, in coarse language, is *zabardusti*, and it is forcing your will upon a person who has not got the strength to contend with you—

"the making such a superiority a principle singly sufficient for any exertion of our will would be to misapply and to pervert it to tyrannical purposes."

Then, Lord Dalhousie was equally emphatic. I will not read the whole of it:

"I acknowledge no mission confided to the British Government which imposes on it the obligation, or can confer on it the right, of deciding authoritatively on the existence of independent Native Sovereignities and of arbitrarily setting them aside whenever their administration may not accord with its own views," etc.

Now, Sir, that second pronouncement is by Lord Dalhousie and we have come very near the time of the Mutiny. Unfortunately Lord Dalhousie started this doctrine of lapse. State after State came under his axe and he would not recognise adoption. He said,—and that passage that my Honourable friend, Mr. Ranga Iyer, read the other day summed up the situation,—that adoption cannot confer any right on the ruler to perpetuate his sovereignty; and, therefore, he laid the axe upon State after State. This created such a great confusion that although no historian has yet written that his particular annexation policy is one of the causes of the Indian Mutiny, one can certainly say that it did form what they call a contributory cause of the Indian Mutiny. After the Mutiny had been suppressed, Lord Canning, who was nicknamed Clemency Canning, presented a *sanad* of adoption to these Indian princes. And that has got a little story. The English statesmen were very much perturbed with the result of the annexation policy of Lord Dalhousie and so they advised Lord Canning to present these adoption *sanads* which, I believe, generally secures to the Indian princes the right to adopt and the right to perpetuate their succession. And, curiously enough, they passed these *sanads* to Muhammadan princes also, among whom, as far as I understand the Muhammadan Law, there is no such thing as adoption. That is the trouble; that is the mental state in which they were in order to pacify and satisfy the perturbed minds of these rulers.

Now, I shall submit a little later how this simple incident has been used by a very learned Viceroy of India in order to support his own peculiar theory of Paramountcy. But at the time I may say that it is a matter of history,—unfortunately I have not got the reference here,—that most of these princes declined to receive these *sanads*. But the thing was given to them. Then there was a question of political usage or political practice. With regard to that, I will read one or two passages to show how these political practices come into existence. We all know that in the treaties with the Indian States their right to external sovereignty has been taken away. Now, in order to see that the obligations created by the treaties are being properly worked, they agreed to receive in their Courts ambassadors whom they called Residents. Just listen how this political practice came into existence.

"In our treaties with them (the Indian princes) we recognise them as independent sovereigns. Then we send a Resident to their Courts. Instead of acting in the character of ambassador, he assumes the functions of a dictator, interferes in all their private concerns, countenances refractory subjects against them, and makes the most ostentatious exhibition of this exercise of authority. To secure to himself the support of our Government, he urges some interest which, under the colour thrown upon it by him, is strenuously taken up by our Council; and the Government identifies himself with the Resident not only on the single point but on the whole tenor of his conduct."

Then, a little later, Sir Charles Metcalfe says that when there is trouble in an Indian State:

"We are not disposed to wait until things settle themselves in their natural course. We think ourselves called on to interfere, and some bungling or unnatural arrangement is made by our will, which because it is our own, we ever after support against the inclination of the people and their notions of right and justice."

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair does not want to interrupt the Honourable Member, but it only wants to remind him that he was a party this morning to the arrangement that this Bill should be finished today and that we have still got the third reading stage.

Raja Bahadur G. Krishnamachariar: Do you want me to stop?

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair only wants to remind the Honourable Member of that fact, and he can regulate his speech accordingly.

Raja Bahadur G. Krishnamachariar: My Honourable friend, Sir I.P.M. Cowasji Jehangir, just now asked me to have a sense of proportion. I have never been able to understand what sense of proportion is. So far at least as it emanates from him, I do not thump the table. I do not take up the time of the House in useless discussions. But this is an important matter. I did agree to that arrangement, and, if you want, I shall not speak on the third reading. But this I consider to be a most important amendment which goes to the root of the question, and I think at least some one should stand up and tell the Government of India that, in spite of all their nice words, this is what is at the back of their minds, and, if they want to insist upon their Paramountcy, they should say so straightaway and be done with it, and I shall have no arguments whatsoever. That is my point. I have not spoken for more than 20 minutes now, and I hope I shall be able to finish in another ten minutes and leave it entirely to your pleasure. That is the reason why I have omitted a great deal that I should otherwise have read. I was originally going to take a much longer time than I feel now justified in doing, because of this arrangement that I certainly entered into this morning, and I believe I said that I shall speak for about half an hour and that restriction that I placed upon myself has not yet, so far as I can judge, been exceeded. (Interruption.) I will end with a certain piece of advice to my Honourable friend, Mr. Das, which, I trust, as coming from one who is older than him—and it is only on that qualification that I give it to him—he will listen to in his future accusations against princes.

What I would now submit is this. There is only one important point on which I must dilate and that is this: this Manipur question shortly put is this: the British Government put on the throne of Manipur one Yuvraj, and immediately asked that he should get rid of certain persons; he declined, and, I believe, a man of the name of Quinton went there to bring him back to his senses; then there was a rebellion and somebody was murdered and there was a trial. I will ask the House to read the memorandum of Mano Mohan Ghosh relating to the Manipur case on the appeal of the Manipur prince and what the Government of India did there. They passed a Resolution declaring themselves to be the Judges and they said no one was entitled to question them and there they laid down the extraordinary proposition that in the case of Manipur which I can understand, but in the case of other States also, the British Government's paramountcy cannot be questioned. That has been submitted to a very close analysis by a very distinguished constitutional lawyer, and also by a gentleman of the name of Mr. Keith, and he says that the Government of India had absolutely no right to make that declaration whatsoever. If you will read that passage—I do not want to take up time by reading that passage—you will find it. But my Honourable friend, Mr. Neog, waxed eloquent over the Manipur question; he said:

"In the year 1891, we have already said that you have no international status and we are entitled to deal with you just as we like."

Your own statement in 1891 becomes gospel in the year 1934. That is my complaint and that is the reason why I say these things, not having been objected to at the proper time assume far more importance than probably they are entitled to; and my purpose is to point out that position. Then, it was stated that the assumption by the Queen of imperial dignity shows that these gentlemen have always been relegated to the limbo of something. Not so. In the Queen's Proclamation, there is a distinct provision to show that all treaties entered into with these Indian States will be respected. Consequently, I say that this position either is not supported.

Now, I will only deal with Lord Reading's pronouncement, and I shall close. Up to the administration of Lord Mayo, this condition remained, and then it began slowly to develop the other way. Lord Curzon reduced the level of the Indian princes to departmental agents of the Government of India, and after him came Lord Minto who reversed that policy, and, then, after some time, came Lord Reading; and unfortunately the question of the restitution of the Berars was placed before him. In deciding that question, Lord Reading stated that Paramountcy does not depend upon engagements and treaties; and my Honourable friend, Mr. Ranga Iyer, stated that Paramountcy must be Paramount: I can quite understand it if that sentence can be finished by saying "must be Paramount over all reason". But how does the Paramountcy come into existence? His Excellency Lord Reading relied upon the presentation of that very *sanad* to which I referred a little earlier, as one of the grounds upon which the British Government were entitled to Paramountcy. There is no suzerainty; there is no Paramountcy; the British Government, for reasons of political expediency, have started upon this principle whether they are right or wrong, I do not know; but if you want that this thing should be established, say so in definite terms and be done with it rather than camouflage it in that manner—this does not mean this, and that does not mean that. That is my position and that is the reason why I ask that these words be omitted, because, in the present instance, you may only say that it is a matter of explanation and use the words in ordinary parlance and then be done with it so far as this Bill is concerned. If you raise the question of Paramountcy again, we shall take it up at that time. That is all I have to say.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That in the Preamble of the Bill, before the words 'States in India' the word 'Indian' be inserted, and the words 'which are under the suzerainty of His Majesty' be omitted."

The Honourable Sir Brojendra Mitter (Law Member): Sir, the Raja Bahadur's grievance is that by introducing the words "under the suzerainty of His Majesty" we are in an insidious manner consolidating our position as the Paramount Power. That is the substance of his grievance. I submit it is absolutely unfounded. The Raja Bahadur will pardon me if at the outset I correct some of his inaccuracies. He traced this phrase "under the suzerainty of His Majesty" to some Resolution—the Manipur Resolution or some other—of 1895. Let me remind him

Raja Bahadur G. Krishnamachariar: I did not say that.

The Honourable Sir Brojendra Mitter: Let me remind him that six years before 1895 the Imperial Parliament adopted this phrase and substituted it for the previous phrase "in alliance with His Majesty". In the year 1889, Parliament passed the Interpretation Act, and section 18(5) of that Act defines India. It says :

"The expression India shall mean British India, together with any territories of any native prince or chief under the suzerainty of His Majesty exercised through the Governor General of India or through any Governor or other officer subordinate to the Governor General of India."

So this phrase in relation to Indian States was used in the Interpretation Act of 1889. The General Clauses Act of 1897 copied the definition in the Interpretation Act. If I may refer my Honourable friend, the Raja Bahadur, to Ilbert's well known book on the Government of India, he will find the explanation why the change was made. At page 292, Ilbert says :

"India as distinguished from British India includes also the territories of Native States which used to be described in Acts of Parliament as 'the dominions of the Princes and States of India in alliance with His Majesty' or in similar terms. The expression 'suzerainty' is substituted by the Interpretation Act for the older expression 'alliance' as indicating more accurately the relation between the rulers of those States and the British Crown as the paramount authority throughout India. It is a term which is perhaps incapable of precise definition, but which is usefully employed to indicate the political authority exercised by one State over another and approximating more or less closely to complete sovereignty. The territories of the Native States are not part of the dominions of the King, but their subjects are for international purposes in the same position as British subjects."

Sir, I need not quote any more. When we use the expression "under the suzerainty of His Majesty", we are not using it for the purpose of establishing a doubtful title, but we are using it for the purpose of correctly describing the relation between the British Crown and the States in India. Sir, if there be any doubt in this matter, I shall refer my friend to authoritative books on International Law. Sovereignty, Sir, in International Law may mean either complete sovereignty in all matters, or a modified sovereignty, a restricted sovereignty. Sovereignty may be absolute with respect to external affairs as well as to internal affairs. In the case of Indian States, sovereignty does not extend to external affairs, but it is limited to internal affairs,—external affairs being in the hands of the Paramount Power. Sir, I shall read a passage from Holland's book on Jurisprudence :

"The sovereignty of the ruling part has two aspects. It is 'external', as independent of all control from without; 'internal', as paramount over all action within. Austin expresses this its double character by saying that a sovereign power is not in a habit of obedience to any determinate human superior, while it is itself the determinate and common superior to which the bulk of a subject society is in the habit of obedience."

With reference to each kind of sovereignty, questions arise the nature of which must be briefly indicated. External sovereignty, without the possession of which no State is qualified for membership of the family of Nations, is enjoyed most obviously by what is technically known as a 'Simple State', i.e., by one which is 'not bound in a permanent manner to any foreign political body'.

States which are not 'simple' are members of a 'System of States', in which they are combined upon equal or upon unequal terms. In the former case they compose an 'Incorporate Union', such as is the United Kingdom of Great Britain and Ireland, or an 'État fédératif', or 'Bundessataat', such as are the United States of America, the Swiss Confederation or the German Empire. In the latter case the States occupying the inferior position are known as 'mi-souverains,' and may be 'protected' like the Republics of Andorre and San-Marino . . ."

After having said that, he goes on to say :

"The external sovereignty of a system of unequally united states is to be looked for equally in the State which is suzerain or protector of the others."

Now, that is the position,—either absolute sovereignty or limited sovereignty. Sir, no one, not even Raja Bahadur Krishnamachariar will claim that Indian States enjoy absolute sovereignty. That being so, they have a limited sovereignty. If they have a limited sovereignty, then what is the Paramount Power?

Raja Bahadur G. Krishnamachariar: The rest was assigned by the princes to the Government which makes all the difference in the world.

The Honourable Sir Brojendra Mitter: Whether it is by an agreement or otherwise, the fact remains that the States do not possess external sovereignty, and that external sovereignty is vested in the Paramount Power, and the British Crown is the Paramount Power in India. Sir, I have read from Holland a passage in order to explain the two different kinds of sovereignty. Now, I shall turn to another book on Jurisprudence in which a classification is made. I am showing that the phrase used is the correct phrase describing the position of the States *vis-a-vis* the British Crown. I shall quote a short passage from Salmond's book on Jurisprudence where he has classified the different kinds of sovereignty. At page 548, Salmond says this :

"British India, that is to say, that part of India which is a British Dominion, as opposed to those numerous portions which are still recognised as the territory of protected Indian princes and are therefore in law British protectorates."

Then he goes on to say :

"With reference to internal sovereignty protectorates are of three kinds :

The first consists of those protectorates over which the Crown exercises external sovereignty only. The internal sovereignty is left wholly to some local Government to which the territory is recognised as still belonging, notwithstanding the fact that as against all other States the territory is regarded as exclusively within British jurisdiction. This is understood, for example, to be the case with the Protected Native States of India. Externally these States are included within the outer boundaries of the British Empire. They possess no international relation to other States. The internal government of these States, however, is solely in the hands of their own native princes. Whatever authority is exercised over them by the Crown is exercised by way of international relationship and diplomacy only, and not by way of constitutional law."

Sir, my submission is that there is no insidious purpose behind this phrase. This is a well-known phrase adopted by Parliament so far back as 1889. It is repeated in the General Clauses Act, and the Manipur Resolution or any other Resolution has nothing whatever to do with it

Raja Bahadur G. Krishnamachariar: I did not say that. I think it was Mr. Neogy who referred to it.

The Honourable Sir Brojendra Mitter: It has been mentioned in the debate. It is a well recognised phrase which for 45 years got currency and which correctly represents the relation of the Indian States to the British Crown. That being so, the charge of insidious attempt to consolidate Paramountcy is not well-founded. The phrase ought to remain in order to identify and distinguish the States. I oppose the amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): At this stage, the Chair would point out to the House the implications of this discussion. This House is not competent to decide either the constitutional or legal relation between the British Crown and any Indian State. This is not the forum for the Government either to establish a claim or to confirm a doubtful one. The phrase used here, "which are under the suzerainty of His Majesty", so far as this House is concerned, has to be considered purely as a descriptive one or a restrictive one if necessary. The object of the Act is to protect the administration of States in India which are under the suzerainty of His Majesty. If there are in India any States which are under the suzerainty of His Majesty, then this Act will apply in relation to the conditions in those States. If in India there are any States which do not come under the suzerainty of His Majesty the King, then this Act will not apply to the conditions existing in those States.

An Honourable Member: Such as Nepal.

Mr. President (The Honourable Sir Shanmukham Chetty): By passing this Bill, this House will not create any new claims for the British Crown, nor will it take away any constitutional or legal rights which any Indian State or prince already possesses. The House must clearly understand that. Therefore, what the Chair wants to point out is that by enacting this measure and by allowing these words to stand if the House so chooses, it does not confer any new right on the British Crown, nor does it take away any existing rights from any Indian State or prince.

Raja Bahadur G. Krishnamachariar: Is that your ruling, Sir?

Mr. President (The Honourable Sir Shanmukham Chetty): That is the ruling of the Chair.

Honourable Members may remember that a meeting of the Imperial Council of Agricultural Research was to take place this evening at 5-15. The Chair pointed out to the Vice-Chairman of the Imperial Council that, in view of our programme, Honourable Members might probably find it difficult to attend the meeting this evening. On this suggestion of mine, the Vice-Chairman has decided to postpone this meeting, and he has asked the Chair to inform Honourable Members that the postponed meeting will be held later on at a convenient date in Simla.

The Assembly then adjourned for Lunch till Twenty Minutes Past Two of the Clock.

The Assembly re-assembled after Lunch at Twenty Minutes Past Two of the Clock. **Mr. President** (The Honourable Sir Shanmukham Chetty) in the Chair.

Sir Hari Singh Gour: The Honourable Raja Bahadur raised a question dealing with the problem of suzerainty and he said that the words in the Preamble to the effect that it is expedient to protect the administration of States in India which are under the suzerainty of His Majesty from activities, and so forth, should be deleted. I quite recognise that it is not

for this House to solve the question of suzerainty. At the same time, the legislative enactment enacted by this House is a voice of the Legislature and the Members of this House must understand the meaning of the terms they employ in enacting a measure in their name. Therefore, it would be necessary to inquire into the meaning of the term suzerainty, because, if we were in doubt as to whether any States at all would be affected by this measure, we would not be willing partners to its enactment. It may be that some States are subject to the suzerain authority of the Paramount Power and others are not, but, in that state of doubt, it is necessary for this House to inquire as to what States it is intended to protect, and, in that view, I submit, the question has got to be dealt with, not for the purpose of laying down any novel principle, but for the purpose of understanding what meaning we attach to the phrase used in this enactment. Now, the Honourable the Law Member has pointed out that in the Interpretation Act of 1889, it has been clearly set out by Parliament that the Indian States are to be treated as States under the suzerainty of the British Crown. Now, if I may be permitted to follow that argument further and draw the attention of the House to the enactment of section 33 of the Government of India Act, we will find that that section lays down the following terms:

"Subject to the provisions of this Act and the rules made thereunder the superintendence, direction and control of the civil and military government of India (of India, not of British India) is vested in the Governor General in Council who is required to pay due obedience to all such orders as he may receive from the Secretary of State."

Now, I submit that the meaning of section 33 is clear. Whatever may be the powers of the Legislative Assembly in respect of measures intended to apply to the Indian States, there can be no doubt whatever that the Governor General in Council are charged with the duty of administering or at any rate of having control of the civil and military Government of India. It has been pointed out by my friend, the Raja Bahadur, that the Indian States, or at any rate, some of them for whom he speaks, may have entered into an alliance with the Crown for the purpose of special protection which is given to them, but I beg to submit that whether it is by conquest or treaty or usage or sufferance, the fact is a fact, namely, that the British Crown is charged with the duty and has incurred the obligation of protecting the Indian States against internal commotion and external aggression that in itself clothes the British Crown with the attribute of suzerainty, because the word "suzerain", means nothing more than an overlordship, lord paramount or protector and I, therefore, submit that the question is not in what manner the British Government has acquired its Paramountcy, but the question rather is whether the Government does, as a matter of fact, exercise the right of Paramountcy, and, as I have submitted, the right of Paramountcy has become inherent in the British Crown by reason of the protection given to the Indian States for nearly a century, if not more.

Raja Bahadur G. Krishnamachariar: Even though for money received?

Sir Hari Singh Gour: The fact that money is received does not make the British Government the agent of the Indian States. A consideration

[Sir Hari Singh Gour.]

may be received for a certain overlordship for the exercise of a certain feudal right and the discharge of feudal obligations. The question of payment is wholly immaterial. The question that is germane to the present discussion is this—is it or is it not that the British Crown possesses certain rights over the Indian States as regards protection and general superintendence? That, I submit, is the main point in the whole case, and my friend, the Raja Bahadur, cannot deny that fact, that the British Crown does possess those rights and under the Government of India Act, section 85, those rights have been delegated to the Governor General in Council. Therefore, I submit, the question of suzerainty admits of no doubt, nor indeed is it open to any argument. It has been said that the British Crown is in alliance with some of the Indian States, but the mere fact that it is an alliance in which one protects the other and one charges oneself with the obligation to see that there is a certain modicum of good government in the States itself suffices to clothe the superior power with the attribute of suzerainty. Suzerainty means, as I have pointed out, nothing more and nothing less than overlordship, and these are the attributes of overlordship. The Indian States, it is admitted, are not international States. These are States which are protected using that phrase which has been used in several legal and constitutional documents, protected by the British Crown, and; being protected States, the British Crown possesses the suzerain power. That, I submit, cannot be open to any argument on the other side, and I, therefore, submit that, when you have put in the Preamble the words objected to by my friend, the Raja Bahadur, those words are to my mind, necessary for the purpose of distinguishing States as are comprised in Act XII of 1932. As Honourable Members will remember, this Act was passed on the 8th April, 1932, to provide against the publication of statements likely to prejudice the maintenance of friendly relations between His Majesty's Government and the Governments of certain foreign States, so that, you have, on the one side, foreign States with whom the British Crown is in alliance by treaties; you have, on the other side, a closer nexus between the Indian States and the British Crown in which the attribute of Paramountcy is justly claimed by the British Crown *vis-a-vis* the Indian States. In that view, I submit the language of the Preamble is not open to objection. (Loud Applause.)

Mr. Sitakanta Mahapatra (Orissa Division: Non-Muhammadan): Sir, I think it were better if my esteemed friend, the Leader of the Centre Party, had thrown more light with regard to the amendment proposed by him. The Honourable Member, it seems, will be satisfied if a verbal alteration is made in the Preamble. The question raised by him will be better understood if the realities of the situation are cleared up, apart from historical developments. I may very pertinently raise the question in this House—what are we doing by this enactment? Are we not, in the compass of six clauses, extending our protecting hand to the Administrations of these States? The assumptions underlying this legislation are that the States are so many helpless bodies who must be protected from being overawed, from disaffection and contempt from assemblies not in themselves unlawful, and even from emergencies with which we in British India are so familiar as the Holwell's pill of section 144, and, lastly, from civil disobedience of the nature of the recent Indian

situation. Corporate bodies which are in alliance with His Majesty do not care for such laws being enacted in their favour and for their protection.

I consider that historical retrospect is valuable only for those who can stand by their rights. It is only a factor to add to the poignancy of the grief when those rights are being lost. I admit I am not, I cannot be, familiar with the treaty-rights, privileges and dignities of the princes of India. I know that in 1921, when the Chamber of Princes was inaugurated, the King-Emperor's Proclamation was in these terms. Sir, here I will quote from a recent book "The English in India" by Sir John Marriott. The King-Emperor's Proclamation included the following passage:

"In My former Proclamation, I repeated the assurance, given on many occasions by My Royal Predecessors and Myself, of My determination ever to maintain unimpaired the privileges, rights and dignities of the Princes of India. The Princes may rest assured that this pledge remains inviolate and inviolable."

But, in December, 1929, the Maharaja of Bikaner, addressing his own Legislative Assembly, said:

"I look forward to the day when a united India will be enjoying Dominion Status under the aegis of the King-Emperor and the Princes and the States will be in the fullest enjoyment of what is their due as a solid federal body in a position of absolute equality"

—mark the words, "absolute equality"—

"with the Federal Provinces of British India."

I do not know of any difference of opinion amongst the princes with regard to this pronouncement.

Sir Muhammad Yakub: There is.

Mr. Sitakanta Mahapatra: Therefore, I take it that the princes have accented the position that their States in the future political India would be given their due if they remain equal with the Provinces. The next step in the chain of reasoning is that as a Governor is to a Province, a prince will be to his State—what is a subvention to a Province will be a loan to a State. (Hear, hear.) No doubt it has been recognised that the princes as a whole are passionately attached to the maintenance in its entirety and unimpaired of their individual sovereignty within their States. But thus far and no further. The Simon Commission created the impression, when discussing the question of Federation, that the suzerainty of the King-Emperor had been loyally accepted by the princes. Sir, Sir John Marriott is a well-known writer on political philosophy, as his work on States is recognised by our Universities as an authority. This is how he has understood the matter. I am quoting from his book, Sir:

"In view of the geographical unity of the Indian Peninsula, in view of the loyal acceptance of the suzerainty of the King-Emperor, in view of the steady growth of economic unity and of social problems common to India as a whole, above all by reason of the fact that it is only under a federal system that the sentiment underlying the nationalist movement can be given effective expression, the Commissioners "

—that is, the Commissioners of the Simon Commission—

"were driven towards the idea of an All-India Federation."

[Mr. Sitakanta Mahapatra.]

Therefore, I take it that this Preamble is necessary to usher in a new era—a happy augury to complete the picture which was drawn by the Montford Report about the future of India. Sir, here I shall quote a passage from the Montford Report:

"Our conception of the eventual future of India is a sisterhood of States, self-governing in all matters of purely local or provincial interest. . . . Over this congeries of States would preside a central government increasingly representative of and responsible to the people of all of them: dealing with matters, both internal and external, of common interest to the whole of India;—(*not British India mark you*)—acting as arbiter in inter-State relations, and representing the interests of all India on equal terms with the self-governing units of the British Empire. In this picture there is a place also for the Native States. Thus far as to the idealistic side. As to the realities, let us not forget that there has been of late much modernisation of these States. We find from the States Committee's Report that 'no fewer than 30 of the States have established legislative Councils, most of which are at present invariably of a consultative nature only; 40 have constituted High Courts more or less on British Indian models; 34 have separated executive from judicial functions; 56 have a fixed privy purse; 46 have started a regular graded civil list of officials; and 54 have pension or provident fund schemes'."

But, in spite of this progressive realisation and up-to-date modernisation, this law has been found necessary. And why? Because we have had recent illustrations in Kashmir and in Alwar of the fact that when the subjects show an unruly attitude or defiance of the authority of the princes under treaty rights, the latter seek British military protection. There is a memorandum published by the authority of the Government of India on the Indian States wherein the Indian States have been described in a tabular form. In that table, there are columns showing Military Forces with sub-columns of regular troops, cavalry, infantry and artillery; irregular troops, cavalry, infantry and artillery; Indian State Forces, cavalry, infantry and artillery; police forces. Then, there are the salutes of guns, permanent, personal, local, and all that. In spite of all this paraphernalia of sovereignty, it has been found necessary to extend our protecting hands to these States by means of this piece of legislation. It must, therefore, be taken for granted that the allies of our Sovereign have in reality acknowledged the suzerainty of His Majesty or His Majesty's representatives ruling over the destinies of 350 millions in India. Sir, why should we not accept the facts as they are?

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Mr. President, I shall not be very long. I only wish to speak one or two words in connection with amendment No. 6 of Raja Bahadur Krishnamachariar. It seems to me that there is a sort of misunderstanding with regard to the words "alliance" and "sovereignty". I think, from a layman's point of view, alliance from the point of view of the International Law is only possible when the two contracting parties are of the status of sovereigns. Students of history must also have heard of words like Triple Alliance and alliances of certain other names. My impression from the reading of this historical aspect is that this alliance is of such a nature that in 1927 the Order of the Princes went over to Simla in a deputation to the Governor General and the Viceroy with regard to the redressing of their grievances and they wanted to know definitely what was their place in the vast picture of this continent. Also, that, certain of these Indian States came into being as a result of the downfall of the

Mughal Empire after the death of Aurangzeb, and none of these States ever held any International status, and nearly all of them were subordinate or tributary to the Mughal Empire or to the Mahratta supremacy or the Sikh Kingdom, and some of them were created by the British. If these are historical facts and if some of these States were created by the British Government after the downfall of the Mughals and if some of these States came into being because of certain terms and treaties, then how can their advocates claim equal status for them here? It is absolutely human and natural that if I have any authority over anybody in regard to certain matters, I shall be the last person to go to him and pay him my respects unless I am compelled to do so. These States are sovereign within their territories, but that is nothing much. If there are certain provisions as was quoted by the Leader of the Nationalist Party in section 33 of the Government of India Act, where there is no place found for this order, and, by implication, the Government of India Act of 1919 is for the whole of this country including the Indian States, then the grouse of my friend, the Leader of the Centre Party, is likely to hold very little water. Secondly, even from the cursory reading of the Butler Committee's report—and I do not hold any brief for anybody—it will be manifest and patent to anybody that the princes have out of their own initiative asked the British Government to do many things for them, and the British Government have taken the advantage of their weakness. Therefore, my humble opinion is that the princes have to thank themselves for the position in which they find themselves and nobody else.

Mr. President (The Honourable Sir Shanmukham Chetty): Sir Harry Haig.

The Honourable Sir Harry Haig: My Honourable colleague was in charge of this amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): He has already spoken.

The Honourable Sir Harry Haig: I have nothing to add to what my Honourable colleague has already said.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the Preamble of the Bill, before the words 'States in India' the word 'Indian' be inserted, and the words 'which are under the suzerainty of His Majesty' be omitted."

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): Does the Raja Bahadur want to move his amendment No. 6*?

Raja Bahadur G. Krishnamachariar: No; it is the same thing.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Title and the Preamble stand part of the Bill."

The motion was adopted.

The Title and the Preamble were added to the Bill.

The Honourable Sir Harry Haig: Sir, I move:

"That the Bill, as amended, be passed."

*"That in the Preamble of the Bill, for the words 'which are under the suzerainty of His Majesty' the words 'which are in alliance with His Majesty' be substituted."

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:—

“That the Bill, as amended, be passed.”

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, it is a misnomer to say that the Bill, as amended, be passed, because there are no amendments that have been carried, except the amendment of Mr. Neogy which was only to remove a technical defect. On the other hand, the Bill, as it emerged from the Select Committee, has been passed without any change whatsoever. We have to go back and see whether the Select Committee has so amended the Bill as to remove all the obnoxious provisions in it.

Sir, the Select Committee amended one important provision regarding conspiracies. It is a very good amendment. They have not amended the provision in the Indian Penal Code, but have introduced a separate provision altogether in the form of clause 2 of this Bill, and they have made conspiracies against Indian States a lesser offence. I must say there is no one in this House who will oppose this amendment. I am also sure that there will not be any opposition in this House regarding the provision against *jathas* into the Indian States. In the Select Committee, they have made some verbal alterations, and they will, I am sure, receive the approval of the House. But, Sir, along with these salutary provisions, a very obnoxious provision regarding the press has been added in this Bill. If this Bill had been introduced with only two clauses regarding provision against conspiracies as well as against *jathas*, then it would have passed through this House without much opposition. Along with these provisions they have introduced a most controversial provision regarding the press emergency powers. The Honourable the Home Member has stated that this provision has absolutely nothing to do with the emergency that exists in this country, but at the same time the Bill provides that this provision will come into operation immediately. I shrewdly suspect that this Bill must have been conceived at the time when the emergency existed in this country. The Emergency Powers Act was passed when there was a great emergency in the country. There was the Red Shirt movement in the Frontier, the no-tax movement in the U. P., and the Government at that time passed Ordinances after Ordinances, and eventually they passed this Emergency Powers Act in the wake of these Ordinances embodying the quintessence of the provisions of these Ordinances. Can any one say at this distance of time that any sort of emergency exists in this country and in the Indian States? Sir, that is why I submit that this provision in this Bill is uncalled for and out of date. Again, at the time when the Emergency Powers Act was passed, the Government were pursuing a dual policy, the policy of repression on the one hand, and, at the same time, fashioning the Constitution for Self-Government in this country. But the Home Member wants this House now to extend the same provisions to the Indian States, but at the same time he has not assured us what the Indian States will give in return in the way of giving certain fundamental rights of citizenship to their subjects.

Member after Member from this side of the House has put this question to the Home Member and he was not able to answer this question satisfactorily. Then the Law Member queried in reply to a speech by Sardar Sant Singh that these provisions should be made applicable to any State

where the administration is based upon law. What "law" the Honourable Member has in mind? We do not expect the States to at once introduce Constitutional reforms bringing their States up to the standard of the Provinces in India. But this Legislature expects that the Indian States would at least guarantee the rights of citizenship, freedom of speech and freedom to hold meetings and the provision for popular Legislatures. I would refer the Honourable the Law Member to the various speeches made by the Viceroy and Governors General at the banquets in the Indian States and I particularly draw his attention to the speech made by Lord Irwin in the Princes Chamber wherein he clearly states what sort of administration he expects to be established in the Indian States. We do not want anything more, we want that the States should come up to the standard of administration which Lord Irwin envisaged for them. There are a few States no doubt which are being administered very efficiently, for instance, Mysore and Travancore, and they are having popular elected Legislatures, and hence the representatives of the people could ventilate their grievances in their Legislatures. There are other Indian States which have no popular Legislatures, and there is absolutely no way for the States subjects to ventilate their grievances and get them redressed. In those States, the press is gagged, freedom of speech is restricted, public meetings are prohibited except to express a vote of loyalty to their ruler. Such are the conditions that exist in these days, and hence the States subjects have no other alternative except to ventilate their grievances in the neighbouring British territory. But, Sir, the Indian States cannot remain in isolation. There are British subjects who have got business connections with the Indian States, they have got large properties and many close relations, and, with all these connections with the Indian States, it is impossible to expect that they will not ventilate their grievances in any British territory. Sir, it may be asked, why should the Government extend this sort of protection to the Indian States? The Government will say, as the Honourable the Home Member stated, that it is an elementary obligation towards a neighbour that we should extend protection. But, Sir, that is not the only reason. The reason is given in the Preamble itself. The Preamble states "To protect the Administrations of States in India which are under the suzerainty of His Majesty from activities, etc. . . ." Thus, it is as a Paramount Power that the Government of India want to protect the Indian States from any activities promoted in British India. Sir, if it is the duty of a Paramount Power to protect the Indian States from any attacks against the administration of those States, it is also the duty of the Paramount Power to see that there is proper administration maintained in those States. If any authority is necessary to strengthen this proposition, it is to be found in various declarations of the Governors General and Political Agents from time to time. When the Paramount Power wants to extend this protection to the Indian States and wants the Legislature, to help them in passing this Bill, the Legislature can legitimately ask the Government to guarantee the maintenance of proper administration in those States before we pass the Bill.

Then, it has already been pointed out by the Honourable the Home Member that they have introduced a proviso in the clause to provide against any possible abuse of these extensive powers that are given to the Magistrates. He refers to the proviso that has been added in the Select Committee. Sir, yesterday, some amendments were moved

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to delete some words in this proviso to make it more acceptable, but those reasonable amendments were not accepted by Government. Sir, Government do not see the vital difference that exists between the Governments of the Indian States and that of British India. In British India an offence is described as against some impersonal abstraction called "the administration established by law". But, in the Native States, the Government is a personal Government, and it is a personal rule. That is the most vital difference that exists between these two Governments. I will give an illustration. Year after year we accuse the Government of India for spending large sums on military expenditure. We say that the military expenditure is equal to the whole of the taxed revenues of a particular year and it extends to many crores. Thereby we do not cast any reflection on His Majesty's Government or the Government of India. But if we say the same thing against the administration of an Indian State, the very bare statement of fact brings immediately the prince into hatred or contempt. If we say that a particular prince spent in one European tour as much money as he spends for the total development departments and education in his State, it might be a bare fact, but it is bound to bring the prince into hatred and contempt.

Sir Muhammad Yakub: But this Bill deals with the administration and not the person of a prince.

Mr. T. N. Ramakrishna Reddi: There is no difference between the administration and the person, because, in some States, there are no budgets. The budgets are not presented before the Assembly and passed. It is a mere personal budget. Supposing it is said that a prince spends as much amount on the marriage of his son as he spends for the police and other civil departments of the State, the publication of that fact brings the prince into hatred and contempt. And, thus, though they have introduced this proviso in the Select Committee, yet it is no protection against any statement in the press of bare facts that exist in the Indian States. Sir, do the States require this protection from these attacks of the Indian press? Many of the well-governed States do not require this protection. It is only those States where misgovernment exists that require this protection from attacks. Thus, you are giving a premium to the maladministration that exists in the Indian States. Sir, Government, while expressing that they want to help the Indian States, are doing a distinct disservice to the Indian States by passing this measure. In the Indian States, the press has been gagged and meetings could not be held, and hence there is no way of expressing their grievances. Hence the people are at present finding an avenue in British Indian territory to ventilate their grievances. But this Bill, if passed into law, prevents any expression of their grievances even in British territory, and thus closes all avenues of expressing their legitimate grievances. Thus the princes will be under a false security that their maladministration will not be exposed. This will ultimately lead to some rebellion and then Government will pounce upon a prince and ask him to abdicate his throne. Therefore, it is really a distinct disservice to the Indian princes.

Sir, lastly, the Honourable the Home Member has stated repeatedly that we should pass this Bill, because we are on the eve of a Federal Government coming into existence, and that we cannot introduce this Federation on the basis of distrust and suspicion. He said we should take the

systems of Government as they exist in the Indian States, and we must stop any movement to subvert those administrations. I think the Honourable the Home Member knows more than any other the weakness of this argument, but his object is to appeal to those Members who are supporters of the Federation for India and thus get their sympathy. But if you analyse this Federation argument, it will not stand for a moment. Sir, it is true that we should not start the Federation on distrust and suspicion, but what about the systems of Government that exist in this country? Hitherto at least the Indian States were existing in isolation, but under the Federation they come into close contact with the other systems of Government that exist in the Indian Provinces. And it will not pave the way for the future Federation to allow Indian Provinces to grow more and more self-governing while allowing the archaic system of Government to exist in the Indian States without trying to bring them up to date. Hereafter, under the Federation, the representatives of the people of the British Indian Provinces and of the Indian States will come into closer and closer contact, and they are bound to feel the inferior position they occupy, and thus it is bound to give rise to some rebellion if their grievances are not redressed. Again, we cannot build a part of the structure of the Federation on the strong foundations of autonomous Provinces of British India deeply rooted in the affections of the people, while part of the structure is laid on the quicksands of autocratic rule where there is distrust among the people and discontent against the Princes. Thus, when once the structure falls, it is not only the weaker portion that will fall, but it will drag along with it the stronger foundations also. If the Federation is to exist and if it is to prosper successfully, it must be based on autonomous Provinces where the people of the States love their rulers and thus strengthen the Federation.

As this provision regarding the Press is also included in this Bill and as this provision will be the last nail in the coffin of the rights and liberties of the subjects of Indian States, I have to oppose this Bill.

Mr. H. P. Mody (Bombay Millowners Association: Indian Commerce): Mr. President, I regret I am not able to support the Bill as it stands. This House has often in the past been asked to support Government in devising measures for dealing with emergent situations in British India, and many of us, in spite of the extreme character of the measures which have been placed before us from time to time, have thought it our duty to enact the necessary legislation. But it is one thing to be asked to support Government when a national emergency faces us in British India. It is quite another thing when we are asked to support what is in effect the cause of misrule in the Indian states. The events of the last few years have demonstrated, if proof were at all necessary, what is going on in some of the larger States in India. Inefficiency, corruption, misrule, every kind and form of misgovernment is going on in those States; and it has to be remembered that for one State, whose affairs are brought to our notice, there are dozens whose misgovernment entirely remains concealed from the public gaze. The Indian States can go on doing what they like so long as they do not raise a communal clash that amounts to a positive public scandal. The rulers of Indian States can appropriate as much as they want of the public revenues; they can set up a judicial system which is a mockery; they can starve nation-building activities like education and sanitation; they can put into prison law-abiding citizens.

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without trial; they can do all and anyone of these things without the least question being raised. It is only when their subjects rise up in some sort of insurrection or when a scandal of the first magnitude is brought to light that the affairs of the Indian State receive attention from the Government of India. If this is the position in the larger Indian States, God and the Political Agents alone know what is going on in the smaller states

Mr. F. E. James (Madras: European): May I ask my Honourable friend one question? Does he make that a general charge against the larger Indian States? That is in effect what he has been saying.

Mr. H. P. Mody: What I say is that the affairs of so many States have come to light in recent years that we are entitled to assume that there is a great deal of corruption, inefficiency and misrule. Of course, there are model States, and all honour to them; there are a great many model States even among the smaller States; I say, all honour to them; but there is no question about it that amongst the six hundred and odd States that exist in this country, there are a good many whose administration cannot bear to see the light of day. If that is the position, then what can be the possible remedy for the subjects of those States? They have nothing like a press which is worthy of the name. I do not know—I read it in the papers the other day that the Honourable the Home Member said there were something like 200 papers in the Indian States. I will add 200 more for luck and make it 400

The Honourable Sir Harry Haig: My Honourable friend, the Political Secretary, said that.

Mr. H. P. Mody: I say, I will add another 200 to the number given by my Honourable friend, the Political Secretary, and make it 400. Are these newspapers ever allowed to raise their voice against misgovernment in the States? Are they ever allowed to criticise the ruler? Are they ever allowed to expose his personal or his public misdeeds? They would receive very short shrift if they ever attempted anything like that. What, then, is the possible remedy which lies in the hands of the subjects of Indian States, except to agitate through channels which may be regarded as reasonably safe? They are driven to British India. Now, unfortunately, it is a fact that when they are forced to come to British India, it is the smaller newspapers—perhaps the less reputable papers—to whom they are driven to seek redress. Unfortunately, the larger newspapers do not permit criticisms of any violent character against the administration of Indian States. Therefore, it is that those who want to seek redress against injustice or misrule in the Indian States fall into the hands of the smaller newspapers. But they are not to be blamed on that account. After all, it is some of the princes themselves who have taught the people in British India how to make money out of them. They are paying a section of the press to write up nice treatises about their administration reports; and if the smaller newspapers have started trying to make money out of the

Indian princes, it is because they have seen that certain papers, by write-ups of administration reports of the larger States, are making a deal of money. Thus it is that it has been made possible for a certain amount of blackmail to be exacted. But who is it who has got to fear this blackmail? As has been pointed out several times in the course of this discussion, there are rulers both in the larger States and in the smaller, who have nothing to fear from any criticism, of however gross a character; their whole rule and life are such that scurrilous attacks in the press would leave them absolutely unaffected; I should like to see, for instance, who will raise the finger of scorn against the person of His Highness the Maharaja of Mysore? I venture to think that if such an attempt were made in British India, the subjects of Mysore would be the first to condemn such an attempt; and so it is with many other rulers. Again, take the other extreme; there are people whose gross misrule and personal misconduct are of such an outrageous character that they naturally render themselves liable to these attacks. In their case, again, I say there is nothing to lose; the attacks are inevitable. Nobody thinks any the worse of them, because everybody knows what they are up to, and, therefore, I say that in the case of two classes of Indian rulers there is nothing to fear, namely, those who are model rulers and those whose administration and personal conduct are of such a character that no harm can possibly take place by any libellous or offensive attacks in the press. But, Sir, I am bound to admit that there is a third class of people who cannot come within either of the categories, and in whose case it is palpably unjust that any attempts at blackmail should be made in the public press in British India, because often facts are distorted and served up in such a way as to excite hatred and disaffection; but, Sir, this is a penalty, if I may say so, of greatness. It is a penalty which people similarly situated in other parts of the world have to pay, which public men in British India have to pay. Sir, I could point to some illustrious examples in this connection. I will not mention names, but it is known to the whole world that the highest in the land in the British Empire was slandered for years; no one believed that foul libel, but he thought it necessary to go to a Court of law in order to vindicate a reputation which no decent-minded man ever thought was besmirched, but which he felt it desirable publicly to vindicate. Only a couple of years ago, one of the highest placed ladies in society in Great Britain was forced to repel an attack in the press in a similar way and to vindicate her honour. Why don't the princes drag these papers into a Court of law? The argument has been advanced that there are inordinate delays in law and there is undue publicity. If that argument were held to be good, then abolish your judicial system and substitute for it a much less formal procedure. On such reasoning to say that an enactment of this character is called for is to put it on the weakest possible ground.

Now, Sir, I venture to submit that, in the course of these discussions, it has been amply demonstrated that if there is reasonableness on any side, it is on the side of the non-official Benches, and not on the side of the Government of India. The non-official Benches have shown their sense of responsibility by accepting in part, at any rate, the measure which has been placed before the House. They have readily agreed to safeguard the Indian States against the grosser forms of attacks which are levelled against them from British India, attacks which are levelled both against their

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sovereignty and their administration. We have accepted the clause whereby conspiracies formed in British India could be made punishable by a summary procedure. They have also accepted the position that *jathas* cannot be allowed to march into Indian territories without the machinery of law being set in motion, but they cannot possibly subscribe to the doctrine which is sought to be forced upon them that a situation faces the Indian rulers in their States which makes it necessary for the press in British India to be gagged in this outrageous fashion. I say, Sir, that no case has been made out for the provisions dealing with the press. I think it was my friend, the Law Member, who said that for a conviction it has got to be established that there was an attempt to excite hatred or disaffection. Well, when I criticise the ruler of an Indian State or his administration, I am not doing it for fun. It is certainly my object to hold him up to the contempt of decent-minded people. What is the object of the attack otherwise? In that attack itself is implicit the attempt to excite hatred or disaffection. Nobody for the mere fun of the thing makes an attack; it does not help our digestion in the morning to pen a few vitriolic lines. The attack is made primarily to excite the disaffection or hatred of all decent-minded men, provided, of course, the matter published is based on facts. It is for these reasons that I regard the provisions to gag the press in British India as outrageous, and I for one can never be a party to them.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muhammadas Rural): Sir, in the light of the speech of the Honourable the Home Member about Federation and aims of the Bill at putting down people marching to the States, people collecting themselves into large bodies in British India attacking the States in group processions of *jathas*, such unconstitutional kind of conspiracies should be discouraged. I think every one will be of the opinion that the growth of unhealthy atmosphere should be controlled and legitimately controlled. We are asked in this Bill to treat the princes fairly and not to encourage forces of disruption emanating from British India.

We know what happened in some States when *jathas* proceeded from British India. I think nobody would like that mischievous forces should be organized in British India to proceed in batches to bring down the prestige of the ruler of any State. About those States, which really are oppressive and misbehaved, sufficient remedies have been put down in the Bill in the Select Committee which contained such experienced and able persons as the Honourable the Home Member, Sir Harry Haig, Mr. Neogy, Sir Abdur Rahim, and last, but not least, Mr. Anklesaria, a member of our Party. But, Sir, undue restraint in regard to fair criticism of the States is equally not fair. I would ask the princes at the same time to give some facility to the newspaper press in British India to bring them up administratively and constitutionally to the same position as Provinces in British India. But we must confess that there might be a small number of so-called journalists who might have made blackmail their profession and who might be a danger to the development of healthy politics and might be utilising the princes for some ulterior object in some cases. It is very necessary to have some measures of protection to the princes, and blackmailers ought to be stopped. But to protect Indian princes to

the extent that it might be illegal to publish facts which may not be creditable to the Indian States would be going too far.

Sir, we cannot compare British India with an Indian State. We are proud to be able to say that in British India we do not hear of such scandals as we do hear in some Indian States. Sir, it is a common knowledge that the administration of some of the Indian States is corrupt and mismanaged. If the press is not allowed to ventilate just grievances, no publicity can be given to the existing maladministration in such States. A closer co-operation between our British Government and the rulers of Indian States is no doubt requisite for smooth working of the new constitution, for, if there will be no protection of our Government, then these States will be fighting against one another, as, at the beginning of the 18th century, they were doing.

The Honourable the Home Member, in his Statement of Objects and Reasons, has stated:

"Experience in recent years has shown that the ordinary law is not adequate to afford States in India the protection they may reasonably expect against activities which may be carried on in British India."

This shows that this Bill seeks to amend the Indian Penal Code which, in certain respects, is inadequate for giving that protection which they consider to be reasonable. This I heartily support; but, Sir, when the princes want protection from our Government, they also have to discharge certain obligations to their States and to their States people. I would like to put in a word to the princes that all these artificial protections will avail nothing to them and will prove fruitless. The real protection for them is the progress that they will make in their own States and the contentment of their subjects would be the real protection for them. As a Persian learned poet has said:

*Raiyyat, darakht ast gar purwari
Ba kam-i-dil-i-dostan bar khuri.*

Or as Tulsi Das, a learned Hindi poet, has said:

*Jasu Raj mā prajā dukhari
So narip oos adhkari.*

But, Sir, our Government always keep a watch over the administration of these States which, I think, is sufficient, and it is advisable to give protection to every landlord and administrator of the State under our Government, especially when many changes are passing over the face of India and many readjustments have to be made, and much has been considered and scrutinised in the Select Committee under the leadership of the Honourable the Home Member, Sir Harry Haig, and also the Honourable Sir Brojendra Mitter, Leader of the House, has cleared many points in his speech. Amendments have also been discussed and decided, and so I hope that this Bill will be passed into law now.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara: General): I think that the Government of India have introduced this Bill, not to facilitate the entering of the Indian States into the Federation, but because there was trouble in some Indian States and troubles were likely to occur in

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some other States, and Government had certain obligations to those States. In order to fulfil those obligations and to discharge their duty to those States, they found that it was necessary to bring in a measure to enable them to do so. The result is the Bill before the House.

The Bill is styled "A Bill to protect the Administrations of States in India which are under the suzerainty of His Majesty, etc.". I fail to understand why the word "Administrations" has been used in this Bill. The Governments of this country, the Central Government as well as the Provincial Governments or Administrations, are all called Governments. It is only the minor Provinces such as Ajmer, Coorg and Delhi that are called Administrations. All Provincial Administrations are called Governments. I fail to see why the Governments of His Exalted Highness the Nizam, His Highness the Maharana of Udaipur, His Highness the Maharaja of Gwalior and others are not styled Governments, why they are called Administrations, why they have been put on the same level with the minor Provinces of India. That is a matter which I have not been able to understand.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Because Government wanted to honour Ajmer!

Diwan Bahadur Harbilas Sarda: It is true that the word "Government" is used in the Government of India Act in regard to Provincial Administrations, but that is no reason why, in regard to important Indian States, the word "Administration" should be used and not "Government", for, in so far as this Bill is concerned, the word "Administration" is equivalent to "Government". There is absolutely no difference between the word "Government" and the word "Administration" so far as this Bill is concerned. It cannot be said that it is a matter of drafting. It is not a matter of drafting; it is a matter of deliberate use of nomenclature which indicates either the trend of policy or something else and we do not know exactly what that something else is. As, however, this does not affect the merits of the Bill, I only make these remarks and leave the matter there.

The Bill consists of six clauses, and these clauses have already been discussed and the House has passed them. Consequently, I do not propose on the third reading to discuss the merits of those clauses which I would have done had I had an opportunity of discussing them at an earlier reading. The object of the Bill is to restrict the activities of the people of British India with regard to Indian States. That activity may be in a mild form, such as criticism, or it may be in a more violent form, such as direct action, leading *jathas* and actively interfering with the administration of a State. But, Sir, the interference with an Indian State may be by the people of British India as well as by the British Indian Government, and, in this matter, a heavy responsibility rests on the Government of India. The Government of India claim suzerain power, and I do not want to make any distinction just now between the exercise of that power by the Governor General of India, as the head of the Government of India, and the Viceroy of India, as agent of the Crown of Great Britain and Ireland. The Government of India have assumed the responsibility of interfering with the Indian States on certain occasions,

and rightly too. That responsibility I regard as a very heavy one, particularly because the Government have taken upon themselves the duty, not only to protect Indian States from foreign aggression, not only to protect Indian princes against internal turmoil and civil rebellion, but they have also undertaken, as we have seen recently, to protect them from the acts of their subjects who want to enforce their just rights. As the Government of India have deprived the subjects of these States of the remedy which they used to have in old times.—readers of history know very well what the subjects of these Indian States in mediæval times, and before that, used to do in regard to getting their wrongs righted.—we know perfectly well that in the most of the important Rajputana States ruler after ruler was made to abdicate. Even so late as the 18th century, a ruler of one of the Southern States of Rajputana was driven from the throne and compelled to retire. All those remedies are now barred. The door is closed on the activities of the subjects of those States against their rulers. Consequently, a heavy responsibility lies on the Government of India to protect the rights of those subjects, to protect the rights of the people of those States. This responsibility has become particularly heavy, because the Government of India or the British Government rely on the resources of British India to enforce their rights of suzerainty. It is very difficult for me or anybody else to envisage the Viceroy of India as the agent of the Crown apart from the Governor General who is the head or the chief executive authority of the Government of India.

[At the stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

It is difficult to envisage him as an entity completely independent of and isolated from the Government of India and yet possessing certain powers and obligations. If the rights of suzerainty are to be exercised against these Indian States, then that can be done only with the resources of the Government of India. The army, whether British or Indian, in India is maintained by the people of India. The officers, civil and military, are paid for and are servants of the Government of India, and if any prince becomes recalcitrant or when the Government have to enforce their obligations with regard to any particular State, they have to make use of these resources. The Government thereby have certain responsibilities towards the people of British India when they make use of these services which are paid for by the tax-payers of British India. The responsibility of Government is, therefore, twofold. The responsibility of Government is towards the subjects of these Indian States, to protect their just rights and to secure them from the inroads of the princes. At the same time, as the Government of India rely on the resources of British India for enforcing their rights of suzerainty, they have also a responsibility towards the people of British India. How this responsibility can be properly discharged is a matter which we have got to consider. As under this Bill they want to restrict the activities of the people of British India and as they have already assumed the responsibility of protecting the rights of the subjects of those States, because they will not allow them to do so themselves, the Government are bound to see that the administration of a State is carried on on just and proper lines. It behoves the Government of India while we pass this Bill to be ever mindful of these duties. They

[Diwan Bahadur Harbilas Sarda.]

should be vigilant to look, not only to the rights of the princes as heads of the States, but also to the rights of the people of those States, and I want to remind the Government of their great responsibility while we pass this Bill.

Sirdar Harbans Singh Brar (East Punjab: Sikh): I hope the eloquence of Mr. Mody will have its natural results when the Textile Bill comes up for discussion. We have been discussing this measure at some length for providing protection for the Administrations of States in India. No doubt the Government as in duty bound have offered to give protection when it was asked for or was found necessary, but then Government have also undertaken the duty of safeguarding the rights and liberties of the subjects of the Indian States as well, and as Paramountcy is for ever Paramount, and, as it is the duty of the Paramount Power to protect both the States and their subjects, I hope that now that such a drastic measure is being carried through to provide protection to the rulers of the States, the Government would also bring in peace and prosperity to the subjects of these States. I feel that Mr. Glancy whose tact and sweetness brought calm and peace during the most troublous days in the State of Kashmir will spare no efforts on his part to bring the princes to realise that in the prosperity of their subjects is their strength, that in their contentment will be their security and in their gratitude their reward. The princes must be brought to realise that the goodwill and contentment of their subjects is as much the duty of the princes as it is the duty of the Paramount Power to protect the rights and privileges and the position of the princes. The rights which the princes claim are no doubt justified, but every right has a corresponding obligation and a duty to discharge. They should not feel content that their concern is only to stop the newspapers from printing any details of the happenings in the States and to keeping a few British officers pleased, but that they should feel that in the long run it is much more advantageous and much more glorious to discharge the duties which they owe to those who depend on them. The defect lies in the system of education provided for the princes. The British Government have rightly understood their responsibility regarding the education of the princes when Lord Curzon said:

"We desire to raise up a vigorous and intelligent race of young men who will be in touch with modern progress but not out of touch with old traditions, who will be liberally educated in sympathy with their own families and people, who will be manly, not effeminate, strong minded but not strong willed, acknowledging a duty to others instead of a law unto themselves, and will be fit to do something in the world instead of settling down into fops or spendthrifts or drones."

But what has been happening during the last few years? The records of the Political Department and the India Office will show how many depositions have taken place and how many interventions had to be resorted to. This shows that the system of education for the princes has not proved a success, and something is desired radically by way of overhauling and remodelling that system of education for the princes which will bring them to realise that their concern and the concern of the people is one and the same, that it is of mutual benefit to look to the interests of each other.

An Honourable Member: What about justice in the States? What about security of Service?

Sirdar Harbans Singh Brar: I will refer to both these subjects. I have said before and I say it again that, so far as my own personal experience is concerned, I absolutely found no reason to say that the judiciary is not independent. I have no special reasons to support any particular prince. My 18 months of judicial position has clearly showed me in the State with which I was connected that there was no interference in the administration of justice and that the officers of this Department were at liberty to dispense free and unlettered justice within their boundaries. There is no doubt that cases do occur in some States in which persons are sent to prison without causes shown or without a regular trial, but does that not happen in British India? Do not the Government in British India detain people for indeterminate periods when the interests of the country so demand? Similarly, when the rulers of the Indian States find that certain people within their borders are creating mischief and trouble and endangering the very existence of the State, then they resort to methods which other Governments and the Paramount Power itself resort to. It is unfortunate that it should be so, but these are the ways of the world, we have to put up with them, as these are the methods of all civilized Governments today.

No doubt, Sir, a lot of money is spent on the personal expenses of the rulers in some States, but not in all States, but every year we find that progress is being made. It is our desire and it is our wish that that progress should be speedy, that it should be more advanced and that it should come about with a higher speed, but that can only be done if the Government of India in the Political Department do their best in fulfilling their duty to protect the States, so that they can rely on the States in their turn to discharge their obligations on the other side. I think that the best way to speed up the rights and the privileges of the Indian States subjects is for the Paramount Power to do what, after consideration and deliberation, it considers necessary in the discharge of their obligations towards the princes, and then to exercise its influence and good offices in bringing the princes to realise what they ought to do for the subjects of their States, and I think they are bound to succeed, and that is the only way by which we will be able to bring about that happy consummation, to the enduring benefit, both of the princes and their subjects.

Apart from stopping agitation against the States, there are one or two things which the Political Department may take note of. It is generally felt that the right sort of people are not employed on the personal staffs of the princes. I can say that apart from ministers, the personal staff of the ruler of a State is the most important factor. Those are the people who mould the life and the character of the young prince from his childhood until he grows up to assume the responsibility of guiding the destinies of his people: and if the right sort of people, people of character and integrity and of liberal education and common sense and sound judgment and traditions are employed, so that they may always tell the prince what his duties towards himself, towards his State and towards his people are, then the princes will be brought up in a healthy atmosphere (Hear, hear); but nowadays we do not find that. We find uneducated young lads are employed on the personal staff, and it is these people who remain with the prince from morning till evening and mould his life and his character. I think the Political Department would do well to use its influence and its good offices with the princes, so that they

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may pay proper attention to their personal staff, even perhaps more than to their administrative officials, because the personal staff, to my mind, has a much larger share in moulding the prince's life and character and the administration than even the prime minister or the other ministers of the State. There is one other aspect to which I would like to refer. The *Times of London* sometime ago said:

"We have emancipated these pale and ineffectual pageants of royalty from the ordinary fate that waits on an Oriental despotism. . . This advantage (of securing able and vigorous princes through rebellion) we have taken away from the inhabitants of the States of India still governed by Native Princes. It has been well said that we give these Princes power without responsibility. Our hand of iron maintains them on the throne, despite their imbecility, their vices, and their crimes. The result is in most of the States a chronic anarchy under which the revenues of the States are dissipated between the mercenaries of the camp and the minions of the Court. The heavy and arbitrary taxes levied on the miserable raiyats serve only to feed the meanest and the most degraded of mankind. The theory seems, in fact, admitted that the Government is not for the people but the people for the King, and that so long as we secure the King his sinecure royalty we discharge all the duty that we as sovereigns of India owe to his subjects who are virtually ours."

From this, Mr. Deputy President, it is clear that as the British Government have provided such security and contentment to the princes, they should make the princes realise what they owe to their subjects, so that the British intervention may be lessened and lessened, and less and less chances may be given to the Paramount Power to intervene in the administration of Indian States. I do not necessarily mean that the Indian States should adopt representative institutions, because I have a great faith in the personal rule of individuals provided they are good. Benevolent autocracy is the system that prevails in the Indian States, where the subjects have the right to approach the highest in the land, and, perhaps, that system is the best. (Hear, hear.) In British India, the conditions are different. Here the subjects have not the right to approach the highest in the land and seek redress. Here, as some I. C. S. official on the arrival of Lord Irwin when he resumed the Viceroyalty of India, told him when Lord Irwin asked him, "who carries on our government in India", he said, "only two people, one is the village *patwari* and the second the *munshi* at the *thana*, because, whatever these persons will write will be upheld. (Hear, hear.) Sir, those being the conditions in British India, an autocratic form is not suited to us; we cannot seek redress directly; but the conditions are different in Indian States. There subsists there a parental inspiration in the rulers of most of the States, and it has often happened that even over the heads of ministers and prime ministers, the subjects have secured direct and swift redress of grievances, and if the Maharaja finds that the grievances are genuine, he passes immediate orders orally or in writing. And that, Sir, is a great benefit, that is a great boon, and I think their subjects would very much like to keep it and would not part with it. But what do we find here? We find that matters are constantly "under consideration", sometimes they drag on for years and years, and the man concerned is dead before he gets his redress! So, it is not necessarily that this system of ours is good in all places and under all circumstances. Under the circumstances in which we are at present placed, certainly democracy and responsible self-government is the only solution for our ills, but where the other system of benevolent autocracy prevails, under which it does appear that there are

many boons and benefits accruing to the subjects, that system necessarily must prove of the highest benefit to them if only the right type of education and moulding of the prince's character is adopted. With these few words, Mr. Deputy President, I would request that the Government, since they have received the co-operation of this House in carrying through this legislation for protecting the princes, will use their good offices and their influence to do something, so that conditions in the States may be happier and brighter.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural):

4 P.M. Sir, the clauses, as they were amended by the Select Committee, have been passed by this House for which the Select Committee deserve to be congratulated. They have taken away all the objectionable matter from the Bill which it contained previously. The third reading of a Bill is not the occasion to cover the same ground which has already been covered, but a few observations are necessary to be made when this Bill is becoming law.

Although the Government have given protection to the princes and this House has given its support to the Government in giving that protection, this House does not want the Government to realise that it is in any way lacking in giving its support to the subjects of those Indian States. The House wants that the legitimate grievances of the people living in the States should also be upheld by the Government when such a contingency may arise. If this Bill, when it becomes law, is administered in such a manner that the people with legitimate grievances are not allowed to ventilate them or bring them to the notice of the Government, then this Bill will not serve its purpose. What I would like the Government to do is that all scurrilous attacks on the princes or on their administrations should be stopped as in the past these attacks have done a great deal of harm which has been mentioned by the Honourable the Political Secretary. To stop all these evils, this law, I think, will be quite sufficient. At the same time, one feels very sorry for the people in the States when one receives a big pamphlet containing lots of grievances which remain unredressed. When this Bill was being considered by this House, a pamphlet was circulated amongst the Members of this House which I took to be a mere propaganda. I did not care even to look at it lest my mind became biased. Still, I would not like the Political Secretary to ignore those grievances if he finds that there is some truth in them. We do not want to interfere with the Administrations of the Indian States, nor do we want to take the part of the people of the Indian States in order to create more disturbances. But, at the same time, we would like that the Government of the day, which is the Suzerain Power,—and it is no use quibbling words on that,—should look into their grievances. If this Government is putting a particular prince in his place, it is the duty of the Government also to protect the people over whose head that prince is being kept. It grieves one to learn that when a prince dies and his son succeeds him, he turns out all the officials of his father's time. Not only the officials are turned out, but they are tortured, they are sent to prison, and nobody is allowed to speak a word on their behalf. If such a thing is true, I think it should never be tolerated by the Government, and I think it should be the duty of Government to interfere in such cases at least. I found in one pamphlet, which probably has reached the Honourable the Political Secretary and also the Honourable the Home Member, that a certain gentleman holding a very

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high position in a State during the time of the last ruler had been thrown into the prison by the son after he had come to the *Gadi*, simply because he agitated to a certain extent for some kind of reforms in the administration and he also objected to the wholesale dismissal of the servants of his father's time. This gentleman held the position of a Colonel, but was given very bad food while he was in the jail. The doctor prescribed that he should not be allowed to live on that kind of food and he prescribed a little better diet. Of course, I cannot vouch for the accuracy of these facts, and I do not know if the facsimile which was sent to me was the true facsimile of the handwriting of the prince. But the Political Secretary should not ignore this fact if he finds that it is true that the order was in the handwriting of the prince himself saying that the doctor had no business to prescribe the diet which he did without consulting him. He ordered that the man should be kept on the same diet which had been prescribed before for him and that he must be given the food which is given to an ordinary prisoner in the jail. If these facts are true, then the Political Department should interfere and bring the bad administration of this State to book.

There were many other grievances mentioned in the same pamphlet, but I do not want to waste the time of the House by mentioning all of them. As has been suggested by my friend, Sirdar Harbans Singh Brar, I think it is due to the fault mostly of the associates of the prince and not the prince himself. Some times these princes have over-zealous A. D. C.'s who are uneducated and they spoil these princes. It ought to be the duty of the Government to see that properly educated people of high position are appointed as A. D. C.'s and not any riff-raffs that may be picked up. One day they may be Captains, the second day Majors and probably the third day Lieut.-Colonels. It is not right to degrade the position of these military ranks which are held with great esteem by the people in British India. In British India a man cannot be made a Captain unless he has served in the regiment for at least seven or eight years, and a Major will probably take about 14 or 15 years' time. Now, Sir, these A. D. C.'s are the persons who are the real cause of bringing about a bad name to the prince who is probably an innocent man. He generally gets wrong advice and wrong information from these A. D. C.'s.

Major Nawab Ahmad Nawaz Khan (Nominated Non-Official): Why not appoint an Honourable Member of the Legislative Assembly as an A. D. C. to these princes?

Mr. Muhammad Yamin Khan: If my Honourable friend desires to become the A. D. C. of any prince, I shall give him a good recommendation, and I hope the Political Secretary will take note of his desire.

Major Nawab Ahmad Nawaz Khan: Then I will guarantee a model State.

Mr. Muhammad Yamin Khan: These kinds of action of A. D. C.'s not only reflect on the credit of the princes, but also on the credit of the Paramount Power, because people will say that the Paramount Power is keeping an unworthy man as an A. D. C. without taking notice of it. At least when we, the representatives of the people in British India, come

to the help of Government, we must as responsible persons see that the responsibility which devolves on Government is properly discharged. When the Indian princes desire our help, we must see that they are doing justice to their subjects. Nobody is entitled to have equity if he does not show equity to others. So, if the princes are good towards their people they will be liked by their people and they will be admired by the people in British India.

I do not agree that Mr. Mody should have come up at this stage to oppose this Bill. If he had any grievances to ventilate, he should have come up on previous occasions. I do not like this discordant note at this late hour from an Honourable Member who did not want to give his advice at the beginning. He has been keeping quiet all along, and now he comes at this late stage with his criticisms. I submit this is not the proper occasion. I do not want to go into the question of what he said, but I submit, by doings like this, we are doing no good.

Let the Bill be passed in good spirit, let the minority accept the views of the majority, let us show to the princes that we are always ready to do anything which they legitimately want, at the same time we expect them to treat their subjects properly. If they treat their subjects properly, then they will have our support in suppressing the scurrilous attacks against them in the press. We shall support their administration if it is run properly. I am not a great admirer of democracy being placed in the hands of people who are not fit to take up the responsibility. Democracy is undoubtedly the birthright of the people, and everybody has got the right to speak his mind. I, who have been brought up from my infancy according to our religious tenets, must say that as a Mussalman, I am a democrat. A Mussalman can never be anything but a democrat. Democracy is inculcated in his mind from the very beginning. At the same time, I know that to shoulder the responsibility of democracy one must be fit and he must be trained to have that democracy. At present the subjects of Indian States are not properly trained to shoulder this responsibility. We are seeing that democracy is coming slowly, but surely British India, people in British India, are beginning to learn how to exercise their rights and the powers which are given to them. For this spirit of democracy to come, it has taken nearly half a century, and though democracy has been introduced slowly in British India during the last half a century, yet it has not taken us to the point at which we want to have full rights. Some of my Honourable friends might say that this House sometimes does not exercise its rights properly. Very well, if that is the condition, that is the greatest illustration that can be given to anybody as proof of not shouldering its responsibility and not being fit for full responsible Government yet. I have had 20 years experience in local self-government and I have found that even the best educated people are not fit for full responsibility, because I find that nobody is ready to act as a soldier, everybody wants to be a general. Unless that strict discipline comes, it will lead us nowhere further, and, even after a further lapse of 50 years, we will be standing in the same place. If that is so, I do not see how we can demand anything better than this in the Indian States where this system has not been introduced at all. It will be introduced gradually, it will develop and then ripen. With these words, I support the motion for passing this Bill into law.

Mr. B. Sitaramaraju (Ganjaum cum Vizagapatam: Non-Muhammadan Rural): Mr. Deputy President, we have been having all the talk and the Honourable the Home Member is having the measure. If there is a measure which is quite uncalled for, it is this. It is quite useless and certainly and admittedly uncalled for by the princes. It is cruel to the people whom they govern and it is grossly provocative to us whom it is the privilege of the Government to govern or misgovern in this country.

The Honourable Sir Brojendra Mitter: If the Honourable Member expects us to hear him, he should kindly raise his voice.

Mr. B. Sitaramaraju: Sir, I was saying that if there was a measure which is quite useless to the princes and certainly uncalled for by them and which is cruel to the subjects whom they rule and grossly provocative to us whom it was your privilege to govern or misgovern, it is this measure. Sir, when we are called to protect these princes or their administrations, one would think, are these princes infants or lunatics to be protected from us? From whom? From a nation which is absolutely disarmed, and, with all humility, I venture to say, a nation, which, I hope, my Honourable friends will excuse me when I say, a nation of women. But I do maintain, Sir, that these princes are neither lunatics nor infants. But they are merely the victims of a system, no doubt very humiliating to them and distressing to us, and the people whom they administer.

The Honourable Sir Brojendra Mitter: May I interrupt my Honourable friend for one second? I will read one sentence from Holland's Jurisprudence:

"The topics of semi-sovereignty and protection present considerable analogies to those of infancy, coverture, and tutelage in Private law."

Mr. B. Sitaramaraju: I am sure I can accept the opinion of the Law Member on this occasion though I shall presently show that his earlier opinion was not quite accurate.

However, Sir, these princes, if I may borrow an illustration from the *Mahabharata*, are, just like *Shikhandis* under the protecting powers of the mighty bowman, the Paramount Power. Sir, I do not venture to define what exactly is this Paramount Power. Honourable gentlemen are aware that the Butler Committee said they could not define it. They also admitted that there were others before them who never were able to define it. Sir, what is this Paramount Power which they themselves do not know except by repeating that the Paramount Power is Paramount? To me it appears to be something like the divinity, omniscient, omnipotent and omnipresent. So far as history records, it had no beginning, and, according to the Butler Committee, it had no end. Therefore, it has fulfilled all the attributes of the Godhead. To give a very common illustration, it is something like electrical energy. Nobody knows what electricity is, but they feel the shock of it. The Paramount Power is something like this electricity and the Indian Princes feel the shock of it, but they do not know what it really is.

Sir, a great deal has been said about the treaties and obligations which the Government of India now and the future Government of this country hereafter, His Majesty's Government elsewhere, have got to discharge. I would like to point out at this stage that so far as I can gather, the relationship, whatever origin it had in the beginning, was something

like a sort of feudalism exercised by the Paramount Power over the States, a feudalism of the type which persons who have read of the middle ages are well aware of. Sir, it is today intended to perpetrate that barbarous relic of a bygone age called feudalism, in this country. I am sorry, the Raja Bahadur is not here, but I would like only to take note of two or three important historical landmarks from which we can appreciate the position of the Indian States in the present situation. I do so, because, as I will presently show, the object of this legislation, I venture to submit, is to create and construct an insuperable barrier, in fact a very Chinese wall, between the Indian States and ourselves. I will presently develop that and why I object to the whole measure. But before I do so, it is necessary for me to refer to two or three historical landmarks from which it will be clear to Honourable Members who are the people who are mainly responsible for the present position of the Indian States.

It is no use saying that all the Indian States are bad; I will show that they are the result of historical accident. Take the very first period of their history, 1757 to 1813, known as the period of alliance. In those days, the East India Company was not very popular. It had been acquiring properties after properties; it had the *diwani* from the Mughals, but throughout all that time it was living in a ring fence and avoided all intercourse beyond its territories except for purposes of offensive and defensive alliances. Next came the period of subordinate isolation, the period from 1813 to 1857. The subordinate isolation policy of the Government of that time was known as the Hastings policy. It was dictated by a desire to preserve and promote the growth of the Company's territories in this country. Notwithstanding the profession of British politicians of non-intervention in the affairs of the Indian States which they preached, but which the logic of hard facts had always contradicted, the Company's Government dominated the administration of the States. The treaty of Udaipur is an instance in point. Under this policy, for the first time, Hastings brought into existence 145 States in Kathiawar, 145 States elsewhere and 20 States in a third place,—altogether about 310 States were, for the first time, brought into existence by Hastings.

A great deal has been said by the Raja Bahadur about Lord Dalhousie but I will invite your attention, Sir, to a passage from Lord Dalhousie's writings. Lord Dalhousie was of opinion that this policy of Hastings had been wrong in propping up petty chiefs and he said that the only way of preventing misrule in those territories was to annex them. He evolved the theory,—and I call him the father of this feudalism in India of this type,—of constructive feudalism and he was also the Governor General who enunciated that doctrine of lapse and escheat, through which he annexed Satara, Nagpur, Tanjore, Jaipur and Jhansi. And the earliest instance of annexation of a State for misrule was the case of Oudh. This dual policy of annexation and subsidiary alliances have been largely responsible for the dependent state of the Indian States from which they have never emerged.

The system of subsidiary alliances proved very disastrous to the Indian rule in the States. The case of Oudh did not stand alone. There were others equally bad, for instance, Hyderabad, Gwalior, Indore, Baroda, Travancore, Cochin and Mysore. These Courts became the theatres of most degraded debauchery and horrible misgovernment. As was stated,

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all incentive to good government and all checks to arbitrary rule disappeared. Wellington says:

"The subsidiary system had paralysed the native ruler and made him dependent entirely upon British support."

As was pointed out by that great newspaper, the *Times* of England in 1853:

Britain's iron hand maintained the Princes on the throne despite their imbecility, their vices and their crimes. The result is in most of the States a chronic anarchy under which the revenues of the States are dissipated between the mercenaries of the camp and the minions of the court."

The result was scathing discontent among the people. Conditions were so ripe for revolt, and the revolt of 1857 was the result; and it is a historical fact that the revolt was suppressed with the help of the Indian Princes themselves as their existence was also at stake. So much for the position of the States which came in contact with the East India Company, who were the Government of India at the time. Subsequent to 1857, when the Crown had stepped into the shoes of the East India Company, Lord Canning, in the year 1860, stated as follows:

"The last vestiges of the Royal House at Delhi from which we had long been content to accept a vicarious authority, have been swept away. The Crown of England stands forth the unquestioned ruler and paramount in all India and is brought face to face with its feudatories and that there was the reality of the sovereignty of England which never existed before and which was eagerly acknowledged by the chiefs. The territories under the sovereignty of the Crown became at once an important and integral part of India as territories under its direct dominion. Together they form our care and the political system the Moghuls had not completed and the Mahrattas had never contemplated is now an established fact of history."

Then began the rule of the Crown in earnest. To make matters definite about the feudal subordination, they issued *sanads* of adoption about which we heard this morning from the Raja Bahadur. Before granting these *sanads*, Lord Canning had made it clear that they would not debar the Government of India from stepping in to set right such serious abuses in a Native Government as may threaten any part of the country with anarchy or disturbance, nor from assuming temporary charge of a Native State where there will be sufficient reason to do so. The feudalism which they had started and which they had tried to perfect, happily for them, was found possible to be perfected in all its details when Bahadur Shah, the last Emperor of Delhi, died. When Bahadur Shah died in 1876, the Queen assumed the title of Kaiser-i-Hind and adumbrated the theory of succession to the Mughal throne, and, thereafter, we find that a regular system of feudal laws have been propounded and rules have been framed by which the relations between the Paramount Power and the States have been governed. To give you a few instances of the nature of that relationship, —I think it is necessary for me to say that because I do not agree with the Law Member, in the remark he made this morning quoting an authority, that these are Protected States—I venture to submit that they are not Protected States known to International Law, because on the first occasion, when we were discussing this Bill, I quoted authority from International Law to show that a Protected State must necessarily have internal sovereignty which these people do not possess, and my Honourable friend, the Law

Member when he quoted that there was a possibility of a second category of Protected Princes from the author of a book on jurisprudence, did not lay the stress which I would have liked upon the last two sentences of the quotation where he said the author believed that the Indian States would fall under that category. But the Indian States do not fall under that, because, whatever might have been the relations at the time, they entered into the treaties and alliances, by usage and by subsequent conduct between the parties a new relationship had been established between the Paramount Power and these States, that it is absurd to call them either Protected Powers with any powers of internal sovereignty, or States which have any right to call themselves sovereign powers. It is very rightly pointed out in this Bill that they are mere administrations: they have no right to call themselves Governments, because, whom do they govern? They govern nobody, except perhaps their own temper. Therefore, it is necessary that the relationship which is now existing between the Paramount Power and the States should be understood:

(1) The States have no foreign relations or trade relations except with the consent of the Government of India.

(2) The States cannot employ any servants who are Europeans without their consent.

(3) Their trade relations also are with permission and consent.

(4) The rights of foreigners in their territories are secured by the Paramount Power.

(5) All foreign interests, including extradition, are only secured through the British Government.

(6) No States subjects can go either for travel or for study or for business without a British passport.

(7) The rulers of States cannot accept even titles of honour from foreign princes.

(8) Inter-dealings of States, even on a mere boundary question, cannot be amicably settled by themselves without the intervention of the British Government.

(9) Then comes another class of feudal rights, that is, matters relating to succession, regency, wardships, adoption and service with arms, which are the ways in which a feudal lord exercises his rights over his feudatories, these are exercised by this Paramount Power.

(10) The British Government asserted and exercised the right of deposing princes and forcing them to abdicate whenever they thought that the interests of the State required it.

(11) Again, whether treaty or no treaty with the Paramount Power, it had always reserved the right to depose these princes from their thrones if they are guilty of gross misrule, disloyalty or breach of any State relations.

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(12) They have also secured the right to entertain directly petitions from the subjects of the States.

(13) The Paramount Power had also put in a claim that they have right to have a direct allegiance from the States subjects themselves.

(14) They also secured the right to nominate, and, where they did not nominate, to approve the appointments of Diwans of these States

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural): What is left?

Mr. B. Sitaramaraju: You will see. Lastly the Government openly asserted the right to intervene in the internal affairs of a State and have claimed to be the sole judges of the extent, nature and time of such intervention. They are the accusers, they are again the judges: they alone have the right to accuse and they are the sole judges, not only of the time, but of the extent of their intervention.

After all this, it is absurd to suggest that these princes have got either internal sovereignty or external sovereignty. But whatever may be the precise status, I would like to say one thing: their well-being is as much our concern as our own well-being. Geographically, both Indias are a unit. Economically, it is a unit; and politically it is our desire that British and Indian India should be a unit. The States are part and parcel of our cultural unity also; and, having with them so much oneness, it is nothing extraordinary that every Indian patriot should feel that they should be one with us politically. From an economic, social, religious and political point of view, we and they are one, and it is our earnest desire that we should be one with them. A great son of my part of the country, Mr. Chintamani, presiding over the States Conference in 1929, said:

"A federated India owing allegiance to a strong responsible Central Government truly representative of the States and the princes is the dearly cherished aspiration of every Indian patriot."

Sir, almost in the same strain His Highness the Maharaja of Alwar said:

"My goal is United States of India where every province, every State, working its own destiny, in accordance with its own environment, its traditions, history and religion, will combine together for higher and Imperial purposes, each subordinating its little quota of knowledge and experience, in a labour of love freely given for a noble and higher cause."

What is then that prevents the realisation of that hope, dreamt by Alwar, aspired by Chintamani? Why is it that Mr. Chintamani dreamt of or His Highness the Maharaja of Alwar so ardently desired, why that unity has not been made possible to come into existence? It is, because, ever since there was the question of constitutional advance to British India, the question of separation of the States from us was engaging the attention of the British politicians. They conceived the necessity of building this Chinese Wall between us and the States in their interests, and today this legislation is a step in that direction. The policy of separation was first conceived in 1917 along with that memorable Declaration which promised us constitutional advance to the realisation of

dominion status as a respectable partner and as an integral part in the British Commonwealth. The first step in 1917 was taken to separate us from the States, and that step was this. Those States which were under the Provincial Governments were transferred from the provincial control directly to the Central Government. Why did they do so? It was, because, in 1917, they knew that they could not long delay the grant of provincial autonomy, and they did not like that the Provincial Governments of Indian representatives should have any control over the Indian States, and, therefore, in 1917, the transfer of the control of the States from Provincial Governments to the Central Government was effected. The next step was, that, as a result of the present constitutional discussions, when they found that it was almost inevitable that the Central Responsibility must be handed over to British Indians one day or other, they conceived the idea of separating them by taking them from the Governor-General-in-Council to the Viceroy alone. It was said that it was for the good of the States. The Butler Committee frightened the Indian princes into the belief that on the Paramount Power alone the States could rely for their preservation, for generations to come,—not only now, but for all time to come, that unless,—they told them,—you depend upon us, you are gone, you are finished. The States were warned that if the Paramount Power were pushed aside, destruction and annexation would be the lot of these princes. The States were asked, with this threat before them, to choose. I can very well understand the princes feeling that they are between the devil and the deep sea. They knew that if they agreed to be with us, ultimately there would be an end to their autocratic rule. If they did not, if they remained under direct control, greater powers would be exercised by the Political Department which they were anxious to get rid of. They had to choose between the two. It must be said to their credit at any rate that they were willing to be with us, but the terms and conditions under which they agreed to be with us were such that they wanted ultimately to be the masters of the situation. The British Government saw in that declaration of the princes immense possibilities they had in the situation. They evolved forthwith the theory of direct relationship with the States. But Honourable Members of this House are well aware of the fact that these treaties, wherever they existed, these agreements, whenever they existed, they existed with whom? They were entered into with the East India Company. The East India Company was the Government of India, and, therefore, the treaties and agreements which the States entered into were with the Government of India. Therefore, what justification have they to introduce this new relationship by which they say that they have got a contractual basis by which the Crown has the power to have direct relationship with the States. Neither the want of legal basis nor an adverse verdict of history prevented them from advancing the sophisticated argument to justify the doctrine of direct relationship with the Crown on a supposed contractual relationship which never existed between them and the Crown. Whatever treaties or agreements there were, were with the East India Company, but the Crown was never in the picture. It is absurd to suggest that there was any contract between the Crown of England and the States in these matters. But assuming for a moment that the Crown, under these treaties, had a right, and assuming also that India would be given dominion status, where is the justification to separate the States and deprive their relationship with the future Government of India? India, under full responsible Government or dominion status, would be even more truly His Majesty the

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King's Government than it is today, because, according to the Report of the Inter-Imperial Relations Committee of 1926, known as the Balfour Report, His Majesty governs a dominion, and if India attains that state, it will be a Government carried on by His Majesty with or on the advice of an Indian Ministry. It will be more truly His Majesty's Government than the present Government is. That Report states, the Agent of the Crown in a dominion is not the Governor General, but the Prime Minister, and he is the channel of communication for all practical purposes, and the Governor General is the nominal constitutional head without administrative duties or functions. Sir, the experiment of combining constitutional and administrative functions in one person has proved to be a failure; what is then the real object? The real object is very plain. The British Government do not want that we should be one with the Indian States. They want to hitch the car of States permanently to the British chariot make the Political Department all British and all powerful. Such an unholy alliance between the Indian States and the British Government is not conducive either to the interests of the States or to the success of parliamentary Government in this country. The object, then, is that they want to create in this country by a legislation of this kind a situation very much like the one that happened in Ireland some time ago. In other words, they want to create in India these Indian States as an Indian Ulster. Sir, such a position will never be accepted by us. It may be that we are powerless against the Government now, but it is not with our consent that we will allow the Indian States to be made an Indian Ulster.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

I remember very well years ago when I was a student, I read the famous words of Mr. Parnell which were inscribed in letters of gold on his statue. I repeat those words. He said:

"No man has a right to fix a boundary to the progress of a nation, no man has a right to say 'Thou shalt go so far and no farther', and no man never shall."

Mr. O. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Right at the outset I shall refer to a personal criticism, aspersion, scandal, libel in which Mr. Puri indulged. Alike for the sake of journalistic integrity and legal "Purity", I rise to say that this Bill is necessary.

I had, publicly on the floor of this House and semi-publicly in the lobby in the presence of Honourable Members, challenged Mr. Puri to be present in this House to hear my reply. The Associated Press had wired out my challenge as I saw from the newspapers. Mr. Puri must have read them yesterday in Lahore if his Party had not taken up my sporting offer and sent him a telegram day before yesterday that I asked them to send. He insinuated that I was bought over by the Kashmir Government and that was why I did not publish my book criticising their administration. Sir, Mr. Puri, as the emissary of the Kashmir Government, wanted to buy me over and stop the publication of my book. A telephonic message came to me, because his private conversation was not so successful, to go to Lahore. A Rolls Royce was waiting there and a lorry for the luggage. Mr. Puri went without myself; I was here in Delhi. And, then, what happened? He communicated his failure to buy me over, and he returned in

a rickety car—Kashmir no longer wanted him. (Laughter.) The emissary did not succeed in his mission, and probably thinking that I had communicated this information to the Political Department, in a moment of panic, the biting of a guilty conscience, he misread an honest speech delivered in clear English and had the audacity to say on the floor of this House that I gave "information" to the Political Secretary. Probably, it was not audacity, it was panic, it was fear. Sir, especially when anybody reads the speech of somebody else, he must never read it with a guilty conscience for he reads meanings into it which nobody else can see. That is how I explain Mr. Puri's speech. Because I did not agree with him, because, as one born in an Indian State, brought up in an Indian State, amidst traditions of admiration and loyalty to an Indian ruler, I stand upon the floor of this House and support this Bill, another man, with no such traditions, who sat behind me for a whole year, stands up and bites me with a malicious tongue, hiding his malice and biding his time. You all know why the book was not published. I have stated that I received a warning from the Government. I was not willing to go to jail. I was not willing to have the press forfeited and its security also gone. It was a decent newspaper, and here is a cad using the privilege of this House, stabbing me in an untruthful manner

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair thinks "cad" is an unparliamentary word when used with reference to a colleague. The Chair hopes the Honourable Member will withdraw it.

Mr. C. S. Ranga Iyer: "Cad" may be an unparliamentary word I substitute it by "bad". It is awfully bad, and awfully mad, and awfully mischievous, and awfully malicious and unprofessional for Mr. Puri to attack my profession and then outside play the role of an emissary of a State, hiding his personal grievance and biding his time. I hope this Bill will be passed. This Bill is necessary to protect the poor journalists and their honour. The Bill is necessary to protect lawyers from going beyond their profession and indulging in unprofessional conduct and mentioning untruthful things. It is a pity that this Bill had not come into existence earlier.

Lastly, because we should not prolong this debate, my Honourable friend, Mr. Raju, made a heroic effort to justify his opposition to this Bill. He thought that the Government were creating an Indian Ulster. That was used to be said by Mr. Muhammad Ali, and very rightly,—the late lamented Maulana Muhammad Ali, a brilliant journalist,—in his beautiful articles in the *Comrade* that the Government were giving British India Swaraj in the course of time, but they were going to keep these States in primitive, mediaeval despotism, so that there might be a big Indian Ulster. That can no longer be said now.

Mr. N. M. Joshi: Why?

Mr. C. S. Ranga Iyer: The Federation is in sight. Princes and politicians,—princes from Indian India and politicians from British India, the representatives of the princes and the representatives of the politicians will have the opportunity of rubbing shoulders as good friends. Ulster stands out of Ireland. The Princes' India and British India are going to be united into one homogeneous mass of unity going to be welded .

[Mr. C. S. Ranga Iyer.]

into one united whole, and, that being the case, I welcome this Bill as the foundation of the greatness of India, and that foundation has to be laid truly and broadly by a House like this, because this House is fortunately the last Assembly so far as I am concerned

An Honourable Member: Why?

Another Honourable Member: No, no.

Mr. C. S. Ranga Iyer: the last Assembly so far as I am concerned, which will prepare for India's greatness by its sensible, and sagacious, and critical, and what I may describe as admirably impartial, attitude on matters of fundamental and momentous importance. Sir, I am glad that this Bill is being passed. It is no menace to honest citizens in British India who do not want to create trouble in Indian States. It cannot attack the gentlemen in the press who can continue to ventilate their grievances in regard to the Indian States with the same vigour with which they ventilate their grievances against British administration in India. This Bill will give short shrift to people who either fan the communal flame in an Indian State or plan the overthrow of the rule established in that Indian State by law.

Maulvi Muhammad Shafee Daoodi: By law?

Mr. C. S. Ranga Iyer: My Honourable friend, Maulvi Muhammad Shafee Daoodi, cheerfully asks, by law? Well, we have the reign of law in India. We may have a rain of *firman*s in the States, a shower, but *firman* is law. But we look forward to the day, as Mr. Joshi pointed out today, when every Indian State will also have a constitutional ruler, and, in order to enable them to have that constitutional rule as pointed out by Sir Tej Bahadur Sapru in his beautiful memorandum on the White Paper, in order to bring about responsible government in the Indian States, we ought to prevent mischief in British India, prevent it from flowing into the Indian States, for as the late Deshbandhu C. R. Das, with his poetic idealism, used to say "Freedom must come from within". Freedom has come from within in British India. Freedom without British Indian interference must come from within in the Indian States, for freedom is a flower which blooms from within. (Applause.)

Mr. K. C. Neogy: Sir, the first portion of my Honourable friend, Mr. Ranga Iyer's speech would have been more appropriately delivered on the 5th of this month, that is last Thursday. You, Sir, will remember that when Mr. Puri was making his speech, it was hardly possible for him to get on even for one minute at a time without being interrupted by Mr. Ranga Iyer, and there were innumerable personal explanations and interjections which made it almost impossible for Mr. Puri to get on with his speech. It was because of your interference that Mr. Puri was enabled to make his speech, and Mr. Ranga Iyer never made any mention of the charges that he has levelled at Mr. Puri today in the course of his interruptions and his personal explanations on that occasion. Under your ruling that day, Mr. Ranga Iyer could have spoken immediately after

Mr. Puri had finished his speech and made these statements by way of a personal explanation. Even that opportunity

(Mr. C. S. Ranga Iyer rose to interrupt.)

I am not going to give way. I do not think my Honourable friends behind me would expect me to show that courtesy to Mr. Ranga Iyer. Not having done that, my Honourable friend refreshes his memory, takes all these days to recapitulate those incidents that happened

Mr. C. S. Ranga Iyer: I mentioned them in the Honourable Member's presence.

Mr. K. C. Neogy: The Honourable Member did nothing of the kind. The Honourable Member made some angry ejaculations which I could not follow.

Mr. C. S. Ranga Iyer: I put this in the presence of the Honourable Member.

Mr. K. C. Neogy: Nothing of the kind, I say.

Mr. C. S. Ranga Iyer: Ask Mr. Muazzam Sahib.

Mr. K. C. Neogy: My Honourable friend has made a complaint of the fact that Mr. Puri is not present today. He knew it perfectly well that Mr. Puri was leaving for Lahore, and, with that knowledge, he waited till today to make this additional statement.

Mr. C. S. Ranga Iyer: I did not know that Mr. Puri would fly away.

Mr. K. C. Neogy: Mr. Puri has written to me that it was within the knowledge of Mr. Ranga Iyer that he was to leave.

Mr. C. S. Ranga Iyer: It was not within my knowledge.

Mr. K. C. Neogy: I got into communication with Mr. Puri on the 9th of this month, that is, on Monday last. Mr. Ranga Iyer made the charge that Mr. Puri had made an unsuccessful attempt to corrupt the incorruptible Mr. Ranga Iyer. Now, I have Mr. Puri's written authority to say that the statement that he has made is a gross perversion of truth. Mr. Puri is at the present moment engaged in a very important case, and it is not possible for him to be present here, for which he wants me to express his regret to the House and to you, Sir.

Now, the position was this. Raja Hari Kishen Kaul, who was at that time the Prime Minister of the Kashmir State, had asked Mr. Puri casually if he knew Mr. Ranga Iyer well, and, on being told that as a colleague in the Assembly he was acquainted with Mr. Ranga Iyer, Raja Hari Kishen Kaul wanted to know as to whether Mr. Puri could speak to Mr. Ranga Iyer and ask him to show reason and to explain to him the mischief that he was committing at a very critical moment of the Kashmir administration by his vituperative attacks in the editorial columns

[Mr. K. C. Neogy.]

of the *Daily Herald* and also by the continued publication of an advertisement from day to day in that paper, in very prominent types, threatening to publish a book in which the whole administrative misdeeds of Kashmir would be exposed. Raja Hari Kishen Kaul particularly wanted Mr. Puri to point out to Mr. Ranga Iyer that it was not right and proper on the part of a Hindu journalist to embarrass a Hindu State at such a critical time, and, in deference to the wishes of the Raja Sahib, Mr. Puri spoke to Mr. Ranga Iyer and tried to impress upon him the great harm that writings of that kind and that threatening advertisement were doing. Mr. Ranga Iyer in reply said—I am quoting from Mr. Bhagat Ram Puri's own statement—that he understood his own position better and that if the Kashmir Durbar wanted him not to issue the book, he would expect the Kashmir State to pay him at least Rs. 30,000 by way of compensation for the loss to which he would be put by not issuing such a book.

Mr. C. S. Ranga Iyer: It is absolutely false.

Mr. K. C. Neogy: Mr. Puri says that he was taken aback at this attitude of Mr. Ranga Iyer and told him that he did not expect this attitude, and that, under the circumstances, he would have nothing further to do in the matter. He duly informed the Raja Sahib about his conversation, and this is how he concludes:

“Neither the Raja Sahib ever asked me to approach Mr. Ranga Iyer with an offer of Rs. 5,000, nor did I ever make any offer of any sum of money to Mr. Ranga Iyer as alleged by him. On the contrary, it was Mr. Ranga Iyer who tried to secure Rs. 30,000 out of the Kashmir State.”

Mr. C. S. Ranga Iyer: Absolutely false.

Mr. K. C. Neogy: My Honourable friend has tried to explain as to why the book was not published, and he said he got an intimidating kind of letter from Government. I should like my friend to read out that letter from the Government. I have a very shrewd suspicion that the letter had nothing to do with the threatened publication of a book, but perhaps it had, if anything, to do only with the writings in which he was indulging in the *Daily Herald*. Now, Sir, my Honourable friend, even if we are to take him at his word, has yet to explain one thing—why is it that my Honourable friend's hatred towards Kashmir turned into affection—affection to which expression was given by him in this House in September last. That is a fact which my Honourable friend has not yet cared to explain.

Mr. C. S. Ranga Iyer: As my Honourable friend has invited me to explain, I shall do so. I am not going into the personal part of it. Mr. Puri has made a statement through his Leader. I have made a statement. Sir Rufus Isaacs, the Attorney General in the House of Commons, was attacked both inside the House and in the Press in connection with the Marconi scandal and he wanted the House to appoint a committee to go into his conduct. There are two statements before the House. I invite this House to appoint a committee and to go into this affair and to find out the conduct of Mr. Puri in this matter and my own conduct,

and if I am found guilty of having touched Kashmir money, as is said I did, by way of insinuation, I shall pass the rest of my life in jail. If Mr. Puri is found guilty of having played the role of an emissary of the Kashmir Government and offered me Rs. 5,000 which I never mentioned at all in this House—and where Mr. Neogy got it from he will have to say. There was a private conversation and he said he never heard it . . .

Mr. K. C. Neogy: The Honourable Member mentioned it the other day to many

Mr. C. S. Ranga Iyer: I mentioned it the other day not in this House, to my recollection, but in a conversation with you and Mr. Puri. Do you deny that?

Mr. K. C. Neogy: Everybody in this House knows the Honourable Member's allegation.

Mr. C. S. Ranga Iyer: I mentioned it in the presence of Mr. Puri in the lobby, and there are Honourable Members who have heard it, at least one Honourable Member, I know, and such being my challenge, let Mr. Puri accept it. He will have to suspend his practice, that is all, if he is found guilty of having played the role of an emissary in approaching me to take money on his behalf. A poor journalist like myself is willing to go to jail for the rest of his life if it is proved that I wanted to touch that money? That is my offer. Sir, if anything, nothing more of a personal explanation is necessary, Mr. Puri could have been present here. He is taking shelter under his Leader, because he has a guilty conscience in the matter.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadian Rural): Sir, is a committee going to be appointed?

Mr. K. C. Neogy: Sir, I would like that the Honourable the Political Secretary should make an inquiry from Raja Hari Kishen Kaul as to whether, with reference to the statement that I have read out, Mr. Puri was requested by Raja Hari Kishen Kaul to approach Mr. Ranga Iyer—whether that part of the statement is or is not borne out by him. As for the suggestion that a committee of enquiry should be appointed to go into this question, I do not think that is supported by parliamentary precedent of any kind; but, perhaps, the better course would be for my Honourable friend to take recourse to legal action,—and I have no doubt that Mr. Puri will be prepared to give him that opportunity by repeating this statement outside the privilege of this House; and my Honourable friend is not in fact unfamiliar with Courts of law in such matters, because, we know that on a famous occasion he filed a similar suit for libel against a very famous man.

Mr. C. S. Ranga Iyer: I am willing to give an opportunity to Mr. Puri if I think this House will not appoint a committee, which I have a right to ask for. I probably may give an opportunity to Mr. Puri if my legal advisers so think, for I am not a very rich man to spend money in a Court of law. If Mr. Puri or Mr. Neogy will get Rs. 10,000 for me to fight my legal case, then I am quite willing to go to Court (Laughter), but, as a falsehood was uttered under the cover of the privilege of this House, I have a right to ask this House to go into committee and examine the conduct of us both, and I shall abide by the verdict of that body.

Mr. S. C. Mitra: Sir, there are only forty-five minutes left for us to close this debate, so I do not want in any way to take up the time of the House, but I should like to make my own position clear,—namely, that I am opposed to every single clause of this Bill; I am opposed to the principle of this Bill and to every clause of it, knowing full well that I cannot carry the House with me. Sir, now there will be an unanimity on this side of the House about the rejection of this Bill since Government have not seen their way to accepting the very reasonable amendments about the deletion of clauses 3 and 5 and even the amendment on the Explanation in clause 3.

Sir, if I had any feeling for these Indian States, it is a feeling of pity for these poor creatures! The Government of India are responsible for their education, for their upbringing, for their rule, and, to a very great degree, for the character of their administration also. Sir, as soon as an Indian prince is born, if he is unfortunate enough not to have his parents living, Government appoint a regency; Government become responsible for his education,—and we know the kind of education that they receive in these Princes' Colleges and other places. If, subsequently, they are found not properly to rule their States, it is certainly not they who are responsible, but it is mostly, I think, the Government of India who are responsible. Here I want one explanation from the Government. If we are asked not to criticise the Administrations of Indian States, certainly the Government of India should see that these princes do not criticise the attitude of the Indian people—as we know they have so often done. It is within our own knowledge that some of these statements were printed by the Indian States Protection Association, concerning our attitude during the non-co-operation and boycott movement days. Now, if they would like to be free from any criticism from our side, the Government of India should also see that there should be no criticism on the part of these princes and their Administrations against anything that happens in British India.

Mr. S. G. Jog (Berar Representative): They never do it—they never dare do it?

Mr. S. C. Mitra: I cannot take your word as gospel truth, because, I know, there are printed documents wherein they have advised the Government of India as regards the government in British India—during the non-co-operation and boycott of British goods days, and, in connection with many other important movements in India.

Mr. S. G. Jog: Probably the Government of India sought their opinion

Mr. S. C. Mitra: My friend says—"Probably the Government of India sought their opinion". In that case I would ask the Government not to send for their opinion in these matters, if they do not want us to criticise them, and especially when the Government of India are even penalising bare statements of facts, if they in any way cause or excite or tend to cause or excite hatred or contempt against those Administrations. Sir we cannot successfully oppose this motion here. Sir, it is the curse of this nation that any number of traitors may be found everywhere in India to support Government even on these most reactionary measures. Sir I oppose this motion. |

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, I have not participated so far in the debate on this Bill because, in the first place, there are more competent men to deal with it and secondly, I am not interested in the affairs of the Indian States. Sir, personally, I am against restricting the liberties of the press. The only forum where the grievances of the subjects of Indian States can be ventilated is the press in British India. Many States have not got any newspapers, nor have they got Legislative Councils to discuss the financial and political conditions of those States. Sir, it is said that the States in South India are very much advanced and that the subjects of these States need not fear the effects of this legislation. Even in Travancore, I remember the occasion during the minority of the present Ruler, when thousands of acres of forest lands were proposed to be leased out to one big English Company of tea growers. It was entirely on account of the agitation carried on in newspapers that that idea was given up. The subjects of the State raised a hue and cry against leasing out perpetually thousands and thousands of acres of valuable forest lands to a foreign company for a nominal amount. Sir, we find that the Government often send their own servants as Diwans to these Indian States, sometimes deliberately to carry out certain policy in the administration of those States. I remember when the construction of the Shorannur-Cochin Railway was over and the question of working the State Railway came up for consideration, it was a British Indian Official who was in charge of the State. It was said he was deliberately sent there to lease the railway on which the Cochin Darbar had spent about a crore of rupees to the S. I. R. administration. Such instances are occurring everywhere. Sir, this Bill will be on the Statute-book within a few days and I only desire that the Government should think twice before they implement this Act in regard to those States where the services of I. C. S. officers and others of their own service have been requisitioned as Diwans, or where, in other words, the Government of India are practically in charge of the administration. I hope the occasion will not arise for it. Sir, it will then be obvious that it is with the deliberate intention of restricting the rights of those States and gagging criticism of the conditions of those States that this Bill was designed and not as professed for protecting the administration of the Indian States. I oppose this motion.

Maulvi Muhammad Shafee Daoodi: Sir, the incidents which have been disclosed in the course of the debates on this Bill have supplied us with some genesis about the origin of this Bill. I was till of late absolutely unaware as to what led to the idea of having a Bill of this sort enacted in this House, as all the troubles in the Indian States were now over, nothing is agitating the mind of the people at the present moment, still we find that provisions of such a drastic nature are being incorporated in this Bill. It is not right, Sir, to snatch away the liberty of the whole population of British India for the sake of such malicious intentions on the part of a few people or a few pressmen or a few men who want to extort money from the rulers of the Indian States. So far as my own knowledge goes, the agitations which have been so far started against the Indian States have been very well founded. That is to say, those who started the agitation were really justified in taking that course. otherwise they would have remained emasculated in these days of the 20th century. However, I do not think it is right on the part of the Government to enact a measure of this kind on the basis of such meagre

[Maulvi Muhammad Shafee Daoodi.]

facts. Sir, the Honourable the Home Member has definitely denied that there was no demand made for a measure like this on behalf of the princes themselves. It is absolutely right, because I believe that they would not like the interference of British Indians in their affairs in the way in which they would now do after the Bill has been passed into law. Now, it was easy for them to see that their subjects are kept under control without any intervention by the British Government. I have already said that no provision incorporated in this Bill seems to be justified, so far as the merits of the case are concerned. They are encroaching on the rights of the British subjects, and that is the reason why I have been so vehemently trying to oppose all the provisions of this Bill, and I will do my duty by recording my protest even at this last stage.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I just wish to say one word, and that is this. We have decided on this side of the House to challenge the entire Bill at the third reading. We tried to accommodate the Government as far as possible. Although, as the Government know, there is a very strong feeling as regards this measure, we tried to meet the Government half way and we consented to the retention of at least two of the important provisions of this Bill regarding conspiracies to subvert the administration of an Indian State and the formation of assemblies for the purpose of raiding an Indian State. The Honourable the Home Member himself appreciated the attitude which we in the Select Committee took in this matter. But, Sir, it is not merely the question of the appreciation of our attitude. On the other hand, the Government have failed fully to realise that we were going very far indeed in order to accommodate them over this measure. But they want us to go the whole hog. They want the last drop of blood. They cannot understand co-operation unless we submit to their dictation pure and simple. Sir, we have tried our best to convince the Government not only how strong public opinion is against this measure, but we have tried also to convince the Government that the provisions which we object to, if deleted, would not in any way harm or frustrate the object that the Government have in view. We even suggested certain modifications in order to improve some of the clauses as they stand. Even that they rejected. Even the drafting points that we raised—and I think we gave very good reasons in favour of those points—they did not listen to. Under those circumstances, no option is left to us but to oppose the entire Bill.

The Honourable Sir Harry Haig: Sir, I am surprised that my Honourable friend, the Leader of the Opposition, should have spoken with some heat about the attitude of Government in the Select Committee and since. We have not failed to recognise the reasonable spirit in which the Opposition have approached this measure. But, Sir, while we respect their convictions, we do expect that they will also respect our convictions, and when there is a conflict between our convictions—and there is—in spite of our reluctance, we must differ. So far as my recollection goes, in the Select Committee the discussions were carried on in a spirit conciliatory on both sides. Both sides, I freely admit, made concessions wherever they could make concessions without doing violence to their convictions. But a point comes on both sides when it is not possible to make concessions any further, and when that point came, it was necessary for us to differ. I venture to submit that there is no reason why that should give rise to any feelings of heat.

Now, Sir, my Honourable friend, Mr. Mody, made a breezy attack upon the Government position this afternoon, and I suppose we should be thankful for that as it is a very hot afternoon. But I find it a little difficult to grapple with his position. "The wind bloweth where it listeth". He made a number of general and sweeping statements about the misgovernment in Indian States and he drew certain comprehensive presumptions. In fact, he painted the whole picture with a bold black brush. Well, Sir, I am not sure whether the Honourable Member was present at an earlier stage of our debates when my Honourable friend, the Political Secretary, took some pains to deal with general allegations of that kind and he showed us that in fact the Administrations of the Indian States, taken as a whole, had many admirable features, even though they might differ from the administration of British India, and that in many respects they could bear comparison with conditions in British India. I do not think it is necessary for me to try and repeat the picture already drawn by my Honourable friend, the Political Secretary, but I do think, Sir, that that is a full answer to what appeared to me to be the rather theoretical accusations, at any rate, the general accusations of my Honourable friend, Mr. Mody. I noticed that Mr. Mody took a very light view of attacks, malicious and malevolent attacks on Indian States. He took two lines of argument: first, that they would apparently not be made, no one wished to make such attacks, on well administered States; and, in the second place, if such attacks were made on well administered States, that would do no harm. That, I understood, was his general position which he illustrated by a reference to a Southern Indian State. The House will recollect that my Honourable friend, the Raja of Kollengode, from his own personal experience, informed us that in certain Southern Indian States which are admittedly well administered, the administrations were being very seriously embarrassed by these malicious attacks from outside the States and that they felt strongly on the subject. I think, Sir, that the experience of my Honourable friend, the Raja of Kollengode, is worth more than the imagination of my Honourable friend, Mr. Mody.

Several Honourable Members have raised the point that while this Bill gives a very important measure of protection to the States administrations, there is an obligation on the Government of India to see that that measure of protection is not abused. That is a position that we have always throughout these debates accepted. My Honourable friend, Mr. Glancy, made that clear in his speech, and, in one of my previous speeches, I said that the Paramount Power has a special responsibility to see that a reasonable standard of good Government is maintained in the Indian States. That responsibility is fully recognised, and, if occasion arises, it is exercised. I cannot, Sir, in a matter of general statement go beyond that. Let us close this long debate on a note of hope, as I believe we reasonably may. In the future, as I see it, British India and the India of the States will each have their contribution to make to the common good. We are endeavouring to evolve a new India. It will not be a mere copy of other countries which have different traditions and a different culture. It will be, we hope, distinctively Indian. That hope will not be realised, if we discard all old traditions, all old institutions and turn for our models solely to the West. We live in an era of change and development. The old ideas are questioned; they have to submit to

[Sir Harry Haig.]

scrutiny. But I am enough of a conservative to believe that the institutions of the past represent elements of truth and reality. They may have to adapt themselves to changing conditions, indeed all institutions must do so, if they are to remain living forces. But no greater mistake can be made than to try and destroy a living institution. That is the political faith of us, British people, and it has guided us through many a time of difficulty and danger. In thinking of the States, Sir, I would ask the House not to fail to recognise the distinctive traditional virtues of the system of personal administration, where that system is, as it normally is, carried out in accordance with its own true principles. This Bill says the administration of the States must be protected. They are entitled to be guarded against subversive attacks from beyond their borders. It is not only an obligation we owe to them. It is an obligation we owe to the peace of India as a whole, the peace of British India as well as of the States, and, as such, I commend it with confidence to the acceptance of this House. (Cheers.)

Mr. President (The Honourable Sir Shammukham Chetty): The question is:

"That the Bill, as amended, be passed."

The Assembly divided:

AYES—57.

Abdul Aziz, Khan Bahadur Mian,
Ahmad Nawaz Khan, Major Nawab.
Allah Buksh Khan Tiwana, Khan Bahadur Malik.
Anklesaria, Mr. N. N.
Anwar-ul-Azim, Mr. Muhammad.
Bajpai, Mr. G. S.
Bhore, The Honourable Sir Joseph.
Brij Kishore, Rai Bahadur Lala.
Chatarji, Mr. J. M.
Cox, Mr. A. R.
Dalal, Dr. R. D.
Darwin, Mr. J. H.
DeSouza, Dr. F. X.
Dillon, Mr. W.
Fazal Haq Piracha, Khan Sahib Shaikh.
Ghuznavi, Mr. A. H.
Glancy, Mr. B. J.
Graham, Sir Lancelot.
Grantham, Mr. S. G.
Haig, The Honourable Sir Harry.
Harbans Singh Brar, Sirdar.
Hardy, Mr. G. S.
Hezlett, Mr. J.
Hudson, Sir Leslie.
Irwin, Mr. C. J.
Ismail Ali Khan, Kunwar Hajee.
Ismail Khan, Haji Chaudhury Muhammad.
James, Mr. F. E.

Jawahar Singh, Sardar Bahadur Sardar Sir.
Lindsay, Sir Darcy.
Macmillan, Mr. A. M.
Mitter, The Honourable Sir Brojendra.
Morgan, Mr. G.
Mujumdar, Sardar G. N.
Mukharji, Mr. D. N.
Mukherjee, Rai Bahadur S. C.
Nihal Singh, Sardar.
Noyce, The Honourable Sir Frank.
Pandit, Rao Bahadur S. R.
Rafuddin Ahmad, Khan Bahadur Manvi.
Rajah, Rao Bahadur M. C.
Ramakrishna, Mr. V.
Ranga Iyer, Mr. C. S.
Rastogi, Mr. Badri Lal.
Rau, Mr. P. R.
Sarda, Diwan Bahadur Harbilas.
Sarma, Mr. G. K. S.
Sarma, Mr. R. S.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan Gakhar, Captain.
Singh, Mr. Pradyumna Prashad.
Sloan, Mr. T.
Subrawardy, Sir Abdulla-al-Māmūn.
Tottenham, Mr. G. E. F.
Varma, Mr. S. P.
Yamin Khan, Mr. Muhammad.

NOES—28.

Abdul Matin Chaudhury, Mr.	Mitra, Mr. S. C.
Abdur Rahim, Sir.	Mody, Mr. H. P.
Azhar Ali, Mr. Muhammad.	Murtuza Saheb Bahadur, Maulvi
Bhuput Sing, Mr.	Sayyid.
Das, Mr. B.	Neogy, Mr. K. C.
Dutt, Mr. Amar Nath.	Patil, Rao Bahadur B. L.
Gunjal, Mr. N. R.	Reddi, Mr. P. G.
Jadhav, Mr. B. V.	Reddi, Mr. T. N. Ramakrishna.
Jehangir, Sir Cowasji.	Sen, Mr. S. C.
Jog, Mr. S. G.	Shafee Daoodi, Maulvi Muhammad.
Joshi, Mr. N. M.	Sitaramaraju, Mr. B.
Lahiri Chaudhury, Mr. D. K.	Thampan, Mr. K. P.
Lalchand Navalrai, Mr.	Uppi Saheb Bahadur, Mr.
Liladhar Chaudhury, Seth.	Ziauddin Ahmad, Dr.
Maswood Ahmad, Mr. M.	

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 12th April, 1934.



LEGISLATIVE ASSEMBLY.

Thursday, 12th April, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

MEMBER SWORN.

Mr. Herbert Aubrey Metcalfe, C.S.I., C.I.E. M.V.O., M.L.A., (Foreign Secretary).

ELECTION OF THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

Mr. President (The Honourable Sir Shanmukham Chetty): I have to inform the Assembly that the following Members have been elected to the Central Advisory Council for Railways:

- (1) Khan Sahib Shaikh Fazal Haq Piracha,
- (2) Mr. M. Maswood Ahmad,
- (3) Mr. Lalchand Navalrai,
- (4) Rai Bahadur Kunwar Raghbir Singh,
- (5) Rai Bahadur Sukhraj Roy, and
- (6) Lieut.-Colonel Sir Henry Gidney.

ELECTION OF MEMBERS TO THE COURT OF THE UNIVERSITY OF DELHI.

Mr. President (The Honourable Sir Shanmukham Chetty): I have also to inform the Assembly that upto 12 Noon on Wednesday, the 11th April, 1934, the time fixed for receiving nominations for election to the Court of the University of Delhi, five nominations were received, out of which one candidate has since withdrawn.

As the number of candidates is equal to the number of vacancies, I declare the following to be duly elected:

- (1) Khan Bahadur H. M. Wilayatullah,
- (2) Pandit Satyendra Nath Sen,
- (3) Sirdar Harbans Singh Brar, and
- (4) Rai Bahadur Lala Brij Kishore.

STATEMENTS LAID ON THE TABLE

Mr. G. R. F. Tottenham (Army Secretary): Sir, I lay on the table:

- (i) the information promised in reply to unstarred question No. 72 asked by Khan Bahadur Haji Wajihuddin on the 19th February, 1934; and
- (ii) the information promised in reply to unstarred question No. 287 asked by Mr. S. G. Jog on the 3rd April, 1934.

WATER-WORKS FOR THE SUPPLY OF WATER TO THE CIVIL POPULATION OF AMBALA.

72. (a) Yes.

(b) Yes.

(c) No. The expected yield is 18,000 gallons per hour and Government have no reason to suppose that the wells will fail to maintain this output.

(d) The Cantonment Authority proposed to sink one or two more additional wells as a standby although not officially advised to do so. An application for a special grant-in-aid has been submitted to the Northern Command.

(e) The application has not yet been forwarded to the Government of India. In view of the present financial stringency, the Northern Command did not feel justified in forwarding it to Government but have asked the Cantonment Authority to consider whether the expenditure cannot be met from their existing resources.

(f) The urgency and importance are not obvious.

(g) No. There is a shortage of water at Ambala. The existing water supply depends upon surface wells which are deteriorating rapidly. The military authorities are also sinking deep tube wells in the cantonment and if these succeed, the existing source of supply will probably be abandoned completely.

(h) Does not arise.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

287. (a) No. Government have laid down no hard and fast principle for the disposal of such cases. Each case is considered on its merits with due regard, amongst other things, to the orders issued on the recommendations of the War Pensions Committee. In cases, such as those referred to Government would not decide that the disability was not attributable without examining all the circumstances.

(b), (c) and (d). Do not arise.

Mr. P. R. Rau (Financial Commissioner, Railways): Sir I lay on the table:

- (i) the information promised in reply to unstarred question No. 192 asked by Mr. S. C. Mitra on the 21st November, 1933;
- (ii) the information promised in reply to parts (c) and (e) to (h) of starred question No. 1000 and starred question No. 1183 asked by Mr. Lalchand Navalrai on the 18th September, 1933, and 27th November, 1933, respectively;
- (iii) the information promised in reply to parts (d) and (f) of starred question No. 1184 asked by Mr. Lalchand Navalrai on the 28th November, 1933;
- (iv) the information promised in reply to parts (b) and (c) of starred question No. 1185 asked by Mr. Lalchand Navalrai on the 28th November, 1933;
- (v) the information promised in reply to starred questions Nos. 38, 42 and 43 asked by Pandit Satyendra Nath Sen on the 30th January, 1934;
- (vi) the information promised in reply to starred question No. 112 asked by Pandit Satyendra Nath Sen on the 13th February, 1934;
- (vii) the information promised in reply to starred question No. 135 asked by Mr. M. Maswood Ahmad on the 16th February, 1934; and
- (viii) the information promised in reply to starred question No. 242 asked by Lt.-Colonel Sir Henry Gidney on the 24th February, 1934.

EMPLOYMENT OF COOLIES FOR CARRYING THE BOXES OF EUROPEAN AND ANGLO-INDIAN DRIVERS ON THE EAST INDIAN RAILWAY.

192. The Agent, East Indian Railway reports that box coolies are provided at other than a driver's home station for the carriage of boxes of drivers in Grades I and II irrespective of their nationality and that box coolies are not provided for drivers in Grades III and IV.

DUTIES OF THE DIVISIONAL PERSONNEL OFFICERS ON THE NORTH WESTERN RAILWAY.

*1000. (c) The Agent, North Western Railway reports that the Divisional Personnel Officer deals with all personnel work of all the branches of the outdoor staff in the division, other than punishments and commendations, excepting those relating to his branch of the work, the appointment and payment of temporary Engineering labour. He is responsible for the efficient working of all branches of the divisional office, except the Accounts Branch, for which the divisional accounts officer is responsible. He has executive charge of the divisional office staff, including the drawing office, for routine and ordinary establishment work, but has no executive authority over the outdoor staff. He is responsible that all service registers are correctly posted up to date, that all information necessary for making out pay, mileage and overtime bills reaches the Accounts Branch punctually, that grade promotions are given in due course after approval by the executive officer concerned, that seniority and selection lists for class promotions are kept up to date that leave rosters are correctly kept and that leave is given promptly and in correct order and which he may arrange without reference to the executive officers concerned, unless the latter specially wish him to consult them in the case of any particular class of employees. All passes are issued by him. He keeps the office imprest accounts and cash.

(e), (f), (g) and (h). *The Agent reports as follows :*

In a printed memorial bearing date 23rd January, 1933, certain clerks of the Divisional Office, Karachi, made representation against their supersession by orders passed by the Divisional Personnel Officer in exercise of his executive powers in connection with office staff.

The Divisional Superintendent Karachi found a bundle of those memorials in an envelope which had been thrown on the verandah of his bungalow by some unknown person. He recorded the following orders :

"Your representation not having been submitted in accordance with the authorized method is returned for the following reasons :

- (1) It has not been sent through the proper channel.
- (2) It does not show whether the representation was first submitted and turned down by the immediate authority concerned, before representation was made to the Divisional Superintendent.
- (3) The representation instead of being delivered at the office was delivered at Divisional Superintendent's bungalow.

The recognised proper channel of appeal is through the officer against whose orders appeal is being made and not to a superior officer direct. No representation has been made through the proper channel and no action is called for."

DUTIES OF THE DIVISIONAL PERSONNEL OFFICERS ON THE NORTH WESTERN RAILWAY.

*1183. (a) and (c). Official enquiries were made. Reference is invited to the replies to parts (c) and (e) to (h) to question No. 1000.

(b) The Divisional Superintendent, Karachi, has not delegated to the Divisional Personnel Officer any powers beyond those referred to in part (c) of question No. 1000.

INSTRUCTION GIVEN BY THE RAILWAY BOARD RE PROMOTION OF CERTAIN RAILWAY OFFICERS.

*1184. (d) Messrs. Bhagat Singh, Bhagwan and Madhavdas were Markers Officiating as Train Clerks when due to retrenchment they ceased to officiate and reverted to their substantive posts as Markers. They are again being employed as Trains Clerks.

Messrs. Doulatram, Thanuram and Nebhraj had officiated as Tally Clerks for short periods and not as Trains Clerks and were reverted to their substantive posts as Markers when no longer required to officiate as Tally Clerks.

Mr. Bhagwandas Dunichand has not been promoted as Trains Clerk. Owing to temporary shortage of staff due to sickness and drafting of Trains Clerks in connection with the Nankana Sahib Fair, Mr. Bhagwandas was required to assist Train Clerks in the Karachi Port Area but the period was less than 21 days and he continued to draw his pay as Marker while so employed.

(f) To fill temporary vacancies which it was anticipated would be of short duration only, Mr. Bhagwandas and some others were appointed as Markers and Mr. Mohd. Khan, Shunting Porter, was appointed to officiate as Marker in order to avoid the unnecessary disturbance of moving the demoted Markers who, with one exception, were during their period of demotion being utilized in alternative employment in which their emoluments were not less than if they had continued as Markers without demotions. All demoted Markers have again become Markers.

APPOINTMENTS THROUGH SELECTION BOARDS ON STATE RAILWAYS.

*1185. The Agent, North Western Railway, reports as follows:

(b) Two Selection Boards have been held in the Karachi Division since 1931—one in December, 1932, to examine temporary clerks who had been employed in the office against Capital Works for some years, and who had not appeared before a Selection Board previously; this Selection Board was held to test their fitness for appointments in permanent vacancies in the future. Another Selection Board was held in August, 1933, to test the suitability of similar temporary tracers employed in the office against Capital Works for retention or otherwise.

The following temporary appointments have been made without a Selection Board:

- 2 works clerks taken on temporarily in place of men officiating against leave and temporary vacancies.
- 1 clerk employed against Capital Works absorbed temporarily against a temporary post created for the Commercial Intelligence Department.
- 2 clerks temporarily appointed against posts sanctioned for three months or till Job Analysis of the Karachi Division office was completed.
- 2 clerks temporarily appointed in February, 1934, against Capital Works on account of the closing of the financial year.

(c) Selection Boards are not compulsory for temporary appointments.

STATUS OF THE HEAD MASTERS OF THE EAST INDIAN RAILWAY INDIAN HIGH SCHOOLS.

*38. (d) Yes.

(c) The Agent, E. I. Railway, reports that in the matter of rent free quarters the teachers in the E. I. Railway Schools are treated like other railway employees. As regards charges for supply of electricity, they are also treated like other railway employees, exemptions being allowed in those cases in which such concessions were allowed in the past as a part of the conditions of their service. Free board is allowed in some cases, e.g. School staff at Oakgrove, the scale of pay in such cases being based accordingly.

EXPENSES OF THE OAKGROVE SCHOOL.

*42. (c) Government are informed that the East Indian Railway has now taken over entirely the financing and accounting of the Oakgrove School. As regards the other Indian Schools, the difference between the total cost and the fee income *plus* interest on endowment, so far as it cannot be met from School balances, is met from the revenue of the railway.

RUNNING AT DEFICIT OF THE EAST INDIAN RAILWAY INDIAN HIGH SCHOOLS AT SAHIBGANJ AND JAMALPUR.

*43. (a) The Agent, East Indian Railway, reports that these schools have been working at a loss temporarily, but the deficits are being met from the balances in hand of these schools at the end of the previous year.

(b) Yes.

(c) and (d). The Agent reports that as no funds were available at the time due to the sanctioned amount at the disposal of the Railway having been previously almost entirely allotted and additional grants being refused but the salaries of the teachers are being duly paid from the original grants given and from the balances in hand of the schools in question. Due consideration is being given to these schools at the time of allotting the grants for the next financial year.

(e) and (f). The discrimination appears to be due to the different methods of accounting employed. The question is under the consideration of Government.

(g) I am informed that increments to teachers were held in abeyance for some time, but this was not due to the refusal of the railway to increase the demand of the Jamalpur School, but to some internal trouble. The increments were held in abeyance till August, 1933, when they were paid with retrospective effect from the 1st April, 1933.

(h) The Agent reports that the entire extra cost of the revised scales of pay is given to each school in the form of an additional grant separately calculated, the whole of the additional amount being met from the revenue of the railway.

REFUSAL OF LEAVE ON TRANSFER TO THE CREW STAFF ON THE EASTERN BENGAL RAILWAY.

*112. (a) I understand that there was a case in August, 1932, when joining time was refused.

(b) Yes, but the rules provide that the authority sanctioning the transfer may in special circumstances reduce the period of joining time admissible under this rule.

(c) Government do not see any reason to interfere in this matter.

NON-GRANT OF HILL ALLOWANCE TO THE TRAVELLING TICKET EXAMINERS POSTED AT HARDWAR.

*135. (a) and (d). Government are informed that Ticket Collectors posted at Hardwar, either temporarily or permanently, are entitled to the allowance but not the Travelling Ticket Examiners, as the latter do not belong to the categories for which the allowance was originally sanctioned. There are other classes of staff who are similarly ineligible.

(b) Yes.

(c) Normally melas last only a few days. During the last Adh Kumb Mela, six Travelling Ticket Examiners were utilised for over a month.

(e) The reply is in the negative.

EMPLOYMENT IN THE WIRELESS SERVICE UNDER THE CONTROL AND ADMINIS- TRATION OF THE NORTH WESTERN RAILWAY.

*242. (a) Yes.

(b) No.

(c) Members of all communities with the requisite qualifications are eligible.

THE INDIAN TARIFF (TEXTILE PROTECTION) AMENDMENT BILL.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I move:

"That the Bill further to amend the Indian Tariff Act, 1894, for certain purposes (Textile Protection), as reported by the Select Committee, be taken into consideration."

We have already for the best part of four days, I think, discussed general principles and policy in connection with this measure, and it is, I think, wholly unnecessary for me to retrace ground which has already been most fully covered at a previous stage of the debate. As regards the changes in the Bill, I think they can best be dealt with when we come to the clauses and the Schedule. In view of the amendments that have been tabled, the amplest opportunity should be available for me to explain our position in respect of the provisions of the Bill which may be open to challenge in this House. At this stage I do not propose to say anything more. I move my motion.

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1894, for certain purposes (Textile Protection), as reported by the Select Committee, be taken into consideration."

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadan Rural): Sir, I move:

"That the Bill, as reported by the Select Committee, be circulated for the purpose of eliciting opinion thereon by the 30th June, 1934."

At the outset, I must express—bowing, of course, to your ruling—my regret that the discussion of this most important measure of the Session should have been curtailed to a period of only three days. (*A Voice*: "The matter was settled by leaders or misleaders in this House.") My Honourable friend, Mr. Joshi, says "the matter was settled by leaders or misleaders in this House": so far as my Leader is concerned, he assured me that his consent to the procedure was a mere silent consent, that he himself did not like it. As I said, it is a matter of regret that the discussion of a measure which, if passed, will impose a burden of at least 80 crores of rupees on the consumer and tax-payer in India, should have been restricted to three days only. (*A Voice*: "How do you make it 80 crores?") My Honourable friend, Mr. James, says "How do you make it 80 crores?" I will give him my authority when I shall talk on the burden of this protection measure on the consumer. But the statistics have been worked out by Professor Dey in his "Tariff Problem of India", to which my Honourable friend, Mr. James, may refer if he is so inclined.

At the first blush, this may appear to be a dilatory motion; but, as I hope to show, it is nothing of the sort. Ample material is provided for initiating a motion like this by the Report of the Select Committee itself. By this motion I want to protest against the way in which the millowners have been dominating the counsels of the Government of India for the last seventeen years. (Hear, hear.) By this motion I protest against the way in which the Government of India have been neglecting the

interests of the agriculturists (Hear, hear) which, times out of number, they have been pronouncing as entitled to their predominant attention. As I said, this is not a dilatory motion. This is a motion for circulation, because circulation is really requisite with regard to the present measure. Sir, it may be said, why not be straightforward and move for the rejection of the whole measure? I say, in reply, I cannot do it on principle. I believe that the idea behind the measure is a move in the right direction for the reasons which I shall state presently, and if there is any achievement which will redound to the credit of the Honourable the Commerce Member, that achievement is the policy behind the present measure. It is a policy by which India shows to the world that the way to salvation is not by tariff war, but by tariff agreement, and it is to the credit of the Honourable Sir Joseph Bhore that he has initiated this policy of agreement in preference to a policy of tariff war. But my complaint is that the Honourable the Commerce Member has not taken full advantage of his opportunities. It would be legitimate for my friend to say, if you are not satisfied with this measure and if you criticise it adversely, it is up to you to suggest a better measure. I think that reply is perfectly legitimate, but as he himself has said, the measure involves a very complex and refractory problem, and how can a better measure be suggested unless and until sufficient time is allowed for people competent enough to suggest a better measure? Sir, so far as public opinion can be ascertained from the Press, the two agreements on which the whole measure is based has been condemned almost unanimously. This measure does not protect the interests of the agriculturists, it does not protect the interests of the cottage industry, and it does not protect the interests of my friend, Mr. Joshi's clients, and, Sir, lastly, it does not protect the interests of the Indian tax-payer and consumer. I said at the outset that the measure is one which shows that the Government of India have been paying disproportionate attention to the demands of the industrialists to the great detriment of the just claims of the agriculturists. If you look to the history of the protection idea in India, this statement of mine will be completely borne out.

After the grant, if I may say so, of fiscal autonomy to India, the industrialists were the first to come forward and claim the benefit of that great privilege. After the pronouncement of the Secretary of State as regards the fiscal autonomy convention, it was the Bombay millowners who were mainly instrumental in getting appointed the Indian Fiscal Commission on which there was not a single representative of the agriculturists, not a single representative competent to safeguard the interests of the consumer, and the predominant element in that Commission was supplied by the millowners of India. Out of the five millowners, four were from Bombay; and, Sir, the President was also a Bombay millowner. And what was the evidence put before the Commission on which they came to their decision? They themselves agreed that there was no evidence worth mentioning as regards the view point of the agriculturist nor the viewpoint of the consumer. Nobody advocated the viewpoint of the agriculturist and the consumer, but these industrialists, interested in the doctrine of protection, said that they took care, of their own accord, to guard the interests of the consumer. The result was that famous Report which, I have said, should not be called the Fiscal Commission Report, but the millowners' Commission Report. Sir, the Report lays down a doctrine which has led to all the troubles which we have been witnessing

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in the world ever since the end of the Great War. It ought to have been known to these gentlemen who formed the Fiscal Commission that India was a predominantly agricultural country, and that it was in the primary interests of India that extended and assured markets should be obtained for her primary raw products, and, in consonance with the best possible economic opinion, the fiscal policy, which should have appealed to them in the interests of India, was the policy of discriminating free trade. But what do we find? Instead of the policy of discriminating free trade, which would have increased the foreign trade of India, they advocate the policy of discriminating protection which, by restricting imports into India, is bound to restrict the exports of her raw products. I should have thought it natural that protests would have been made by the Government of India against the recommendation of the Fiscal Commission, and to my very pleasant surprise, looking up the debates of 1924, I found Sir Charles Innes in so many words saying that discriminating protection, as understood by the Government, was the same as discriminating free trade. If that be the policy of the Government of India, I could have no complaint against it. But I should protest against discriminating protection being held synonymous with discriminating free trade, because the essence of free trade is to increase foreign trade, while the essence of protection is to restrict foreign trade. These are two absolutely opposite concepts, but it is possible that after the definite pronouncement of the Fiscal Commission, in accordance with their policy of conciliating to their side for political reasons the industrialists of India,—it is possible, I say, that the Government of India thought it fit to play with words without sacrificing principles. After the publication of the Fiscal Commission Report, the Government of India hesitated to make a pronouncement as regards this fiscal policy, and, as I maintain, they rightly hesitated. But, again, the industrialists came to the help of the Indian Government and a Resolution was moved in 1923 asking the Government of India to commit themselves to the policy of discriminating protection as laid down by the Fiscal Commission, and the policy was adopted with the mental reservation which I have mentioned as regards the pronouncement of Sir Charles Innes. After the passing of that Resolution recommending the Government of India to adopt the principle of discriminating protection, the industrialists of India, and especially the millowners of Bombay, started a vigorous propaganda for abolishing the cotton excise duty. If any form of taxation could be called legitimate and which could be pronounced as proper by all canons of economic reasoning, that taxation was the excise duty on cotton. But what do we find? Instead of pointing out to the millowners that the excise duty was a legitimate and just source of revenue against which they could not possibly complain, and instead of taking their stand on the fact that between the years 1915 and 1922 the millowners had reaped dividends to the extent of 40 or 50 crores, that is, 53 per cent. annual dividend, the Government of India hesitated and promised that when conditions improved they would remove the cotton excise. The agitation of the millowners continued, and in 1925 the Government of India, on the pretext of the mill strike in Bombay, abolished the excise duty which they themselves had pronounced was a just and legitimate measure of taxation against which the millowners could not possibly complain. Sir, after scoring this success over the consumer and the tax-payer, the millowners of India set about getting the Government of India to impose protective duties on cotton manufactures, and they agitated for the institution of

an enquiry as to the feasibility and propriety of imposing import duties on cotton manufactures being conducted by the Tariff Board. No sooner said by the millowners of Bombay than done by the Government of India! You find the representation of the millowners being made on the 19th May, 1926, and the Government of India obligingly appointed a Tariff Board on the 10th June, 1926, that is, in less than three weeks. The Tariff Board was also very expeditious. They signed their Report in January, 1927, and, on the 7th June, 1927, the sympathetic Government of India published a communiqué in which they pointed out apologetically how hollow was the case attempted to be made out by the millowners of India. They said that, so far as piecegoods were concerned, the existing revenue duty was more than sufficient to counterbalance the effects of foreign competition, and, as regards the protection of cotton yarn, they would not think of it, because, thereby, the interests of the handloom weaver would be injured. Sir, this communiqué was issued on the 7th June, 1927. Only two weeks after, my Honourable friend, Mr. Mody, called a conference of the millowners, and, in pursuance of the resolutions that were adopted in that conference, led a deputation of millowners to His Excellency the Viceroy, and, Sir, the Government of India only three weeks after they had pronounced that the millowners of Bombay had no case for protection and that the grant of protection would injure the handloom weavers of India, within three weeks of that, the Government of India, after they had discussed matters with Mr. Mody, went back on their decision and pronounced that imports of yarn deserved to be protected and the handloom weavers of India would not be harmed by the protection granted. If this does not show the fact that the millowners of India are having disproportionate attention from the Government of India nothing which I shall relate as a subsequent history of the activities of the millowners and the surrender of the Government of India to their extortionate claims will convince the House in the direction I would wish it to be convinced. The story has been related at great length in Mr. Hirendra Lal De's book on "Indian Tariff Problems", and, respecting your ruling and your desire, I would restrict myself to only recommending that book to Honourable Members who want further information as regards the ways and means by which the millowners in India have been able to get protection which they did not require and which they did not deserve.

The story from 1932 is too recent to necessitate my repetition of it. No doubt it will be contended that the Government have been acting on the considered Report of the Tariff Board which has carried on a careful and prolonged investigation of the case presented by the millowners for protection. I quite admit that. The Tariff Board has carried on a prolonged and careful investigation, but have the Government of India themselves respected the findings of that Tariff Board? I say, No. The Government of India themselves have turned down the recommendations of the Tariff Board in important particulars, and it will not lie in their mouth to say "you must respect the Tariff Board's report on which we ourselves do not rely". The Government of India, through the Honourable the Commerce Member, have stated in almost so many words that as regards important recommendations of the Tariff Board in the circumstances that have happened the recommendations are out of date. They say that though they agree to the principle that the millowners should be protected, what kind and what degree of protection should be granted should be judged not by the statements contained in the Tariff Board's Report, but

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by the provisions and stipulations contained in the two agreements, the agreement with Japan and the agreement with Lancashire. As I have stated, both these agreements have been condemned with one voice by the whole country if the Press of India can be relied upon, and I have stated in my former speech how the recommendation of the Tariff Board as regards the main ground of granting protection to the mill industry is a recommendation which ought not to have been found in any report made by any responsible person who knows anything about Economics. In so many words the Tariff Board say that competition is essential to kill off the inefficient mills. But they say: "First create these inefficient mills and then leave them to be destroyed by competition after the consumer has been burdened with crores of rupees by way of taxation and rise in the prices of the commodities which he consumes". This principle, so barely and so simply stated, is condemned by its very statement, and I need not dilate on it. I see that my Honourable friend, the Knight from Bombay, wants to interrupt me, and, if so, I shall be prepared to give way to him, so that I might be able to reply to him.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): I only wanted to go out. (Laughter.)

Mr. N. N. Anklesaria: I quite see how it would be natural for my friend not to be in this House when I am talking of protection to the Bombay millowners.

An Honourable Member: Mr. Mody is here.

Mr. N. N. Anklesaria: My friend is there for obvious reasons.

In the whole Report, I find very little attempt to assess the intensity of the repercussions of the Tariff Board's recommendation on the important interests involved. I do not find anything which would show to me that the Tariff Board had kept in mind the interests of the agriculturist. I do not find anything which would convince me that the Tariff Board had guarded the interests of the handloom weavers. Quite the contrary. Sir, the Tariff Board ought to have directed its attention to the interests of those provinces in India which had to pay the price of this "gift" to the millowners of India. Sir, you will find that there are no cotton mills in Bihar and Orissa (Hear, hear); there are no cotton mills in Assam; there are no cotton mills in Sind

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): There are some.

Mr. N. N. Anklesaria: There are no cotton mills in the North-West Frontier Province; there are no mills in Baluchistan; and there are only four mills in the Punjab, and there are only seven mills in the Central Provinces. And the Bombay Presidency has more than one hundred and fifty—I suppose. Burma has got no cotton mills. (Hear, hear.) I say, the cost of this protection will have to be borne by these Provinces. And what is the counterbalancing advantage to these Provinces? Sir, the counterbalancing advantage is that it will make the cloth consumed by these Provinces dearer than it would have been, in the absence of these high protective duties. (Hear, hear.) My Honourable friend asked me—has the cost of cloth been increased? He ought to

reply to me in answer to my question—would not the cost of the cloth have been lowered considerably, to the benefit of the consumers, especially in these hard times, if these duties did not exist? (Hear, hear.) If my friend will answer me, I will give way. Sir, this being the case, I would ask my Honourable friends who represent rural constituencies, whose interests they have pledged themselves to safeguard, to give serious thought to the question of the effect of these high tariff proposals on their constituencies; and I would ask my Honourable friend also not to be misled by the very frequent pronouncement of mere lip sympathy made by the Government of India. (Hear, hear.) Sir, the Government of India through the Honourable the Commerce Member and through the Honourable the Finance Member have, times out of number, pronounced their sympathy for the agriculturist—I say they have “pronounced their sympathy”, but they have taken no effective action in the present connection to implement that sympathy, and I will only give one instance, that of the case of the cotton cultivator, in whom I am interested as I represent predominantly a cotton producing constituency. Sir, these high protective duties will make the cost of production of cotton of the Guzerat cultivator much greater than he would be in a position to bear with equanimity, and it will lead to restricting his markets outside India.

Sir, when the Ottawa Agreement Resolution was discussed on the floor of the House, I gave my unqualified support to that Agreement in the confident hope that everything will be done by the British Government, who were parties to that Agreement, to promote the interests of the cotton cultivators so far as it lay in their power to do so. My confident hope has been disappointed. As I said in my former speech, the British Government, in breach of their promise at the Ottawa Conference, have taken no material steps to implement the promise they gave there. Sir, what I am saying is perfectly correct. If you will read the Ottawa Conference Report, you will find that our delegates there were at great pains to point out how the case of the cotton cultivator, whose demands, as made through their representatives in India, could not be immediately satisfied, would be sympathetically considered in all practical ways by the British Government. They stated in their Report that what was wanted in connection with the purchase of Indian cotton in Lancashire is the provision of marketing facilities such as existed in the case of American and Egyptian cotton, and the British Government promised that if practical steps were taken for promoting the purchase of Indian cotton by Lancashire, they would wholeheartedly co-operate.

Sir, the other day, Major Proctor, as I said in my former speech, put the question to Mr. Runciman, whether the Government of His Majesty in England were prepared to take practical steps in the ways mentioned by the Lancashire millowners to assist them to buy increasing quantities of Indian cotton, and Mr. Runciman, though the British Government are helping other industries by actual subsidies, pointblank refused and said that the British Government were not prepared to accede to the proposals made by the Lancashire millowners.

Sir, then as regards the effect of the Indo-Japanese Agreement on the cotton growers' interests, I would refer this House to the recent reports in the papers that Italy was thinking of taking the same retaliatory measures as were taken by Japan, not against the millowners of India, but unfortunately, against the cotton growers of India.

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Sir, I would ask my Honourable friends, representing the rural constituencies, not to be misled by the propaganda of politicians in and outside this House. The very unpleasant thing about protection is that, once it is granted, it creates vested interests and those vested interests attempt in every way possible by adopting every means, fair or foul, to see that the protection obtained by them is perpetuated. I need not retail the efforts of people interested in perpetuating protection which are being carried out both in and outside this House. This was the danger which was mentioned in so many words by the Fiscal Commission as a danger to which protection is open. They say that the danger which I have mentioned "will be obviated by the variety of the interests represented in the legislative bodies and the strength of the representation of the agricultural landed classes make it improbable that the industrial point of view would secure undue prominence". Sir, this unctio to their soul is not justified by what we have been witnessing in this House ever since the inauguration of this Assembly. There are at least 80 Members representing the rural constituencies in this House who, as I said, have pledged themselves to safeguard the interests of their constituents. I ask, how many divisions have these rural representatives won against the industrialists in this House? None. Sir, therefore, the danger visualised by the Fiscal Commission does exist, and I ask my Honourable friends, representing the rural constituencies, to take good account of it when they come to decide the question before the House. There is the danger not only from politicians in this House who actually are personally interested in the protection policy of the Government of India, but there is the danger of hired politicians outside who try to help in the propaganda in favour of the interests of the protectionists.

The other day, my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, stated in so many words that free trade was "dead as Queen Anne". Sir, a much greater man than Diwan Bahadur Ramaswami Mudaliar stated that protection was "dead and damned" and that was as far back as 1852. I am surprised that the Diwan Bahadur, who is generally so well-posted with his facts, should have made that statement when the Finance Member of the Government of India only a few days back tried to impress on this House the cost which the country has been paying on account of its policy of protection, and in spite of the way in which earnest-minded men, not in one or two countries, but throughout the world, were denouncing the doctrines of economic nationalism. Sir, this is one instance of how prejudice and interest clouds intellects. I am entitled to speak against the principle of the Bill, but I think the present moment is not opportune for me to dilate on the merits of discriminate free trade as against the merits of discriminate protection. But this much I must point out that the condition of things at which we have arrived is that depicted by Sir Eric Geddes in a book called "The Tariffs: The Case Examined" published in 1932. The remarks of Sir Eric Geddes are very apposite and entirely applicable to the mill industry of India. I regret very much that our Tariff Board did not pay any attention to what is stated in that book. It is said in that book:

"There may be natural scope for that industry, that is to say possibility of establishing it on a basis competitive with other countries, up to a limited extent, for special types of work or markets, in a few specially favoured localities, or under exceptionally able management. But high protection

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over a period of years will not cause or allow it to be limited in that way. During the protective period the industry will be profitable beyond its natural scope, and will come to be established on an excessive scale; that is to say on a scale and in places where it cannot be maintained without protection. *Each industry within a country is not homogeneous, but of varying degrees of efficiency and rates of profit. At the end of the period those who cannot carry on without protection will fight for its continuance. They will argue, correctly, that a removal of protection will cause unemployment; they will be joined in their plea by those who could get on without protection, but can make larger profits or do larger business with protection and at least cannot lose by it.*"

Sir, the position of the mill industry is exactly as described in these remarks. The Tariff Board themselves admit that even in Bombay there are ten per cent. of efficient mills who can dispense with protection even now, and a far greater proportion of mills exist who can dispense with protection even today outside Bombay. Therefore, I think this fact proves to the hilt that granting of protection, while it will put more money into the pockets of mills which do not require protection, will tend to perpetuate the inefficient mills. Sir, the report of 1927 signed by Sir Frank Noyce offers some very instructive remarks in connection with the present topic. That report says:

"We are satisfied that no mill in India which could be regarded as run with fair efficiency and economy had up to the present been forced into liquidation as the result of depression. None of the mills which has so far gone into liquidation had the smallest chances of surviving except in boom conditions. A study of the evidence we received at Ahmedabad will be found instructive on this point. A long list of mills which had gone into liquidation in that and adjacent centres was placed before us, but in almost every case there was very definite evidence that the liquidation was the result of incompetence and inefficiency and, in some instances, of dishonesty."

Sir, in coming to a decision on this measure, let us guard ourselves against perpetuating "incompetency, inefficiency and dishonesty" on the part of people who seek protection at the cost of the consumer and the tax-payer. My motion in no way says that the mill industry, if it deserves protection, if it needs protection should not be protected. My motion simply says, give time for competent people to pronounce an opinion after due investigation, because due investigation has not taken place as the Report of the Select Committee itself will prove up to the hilt. Sir, it is a phenomenon rare, almost unparalleled, in the history of this Assembly that a Select Committee on a taxation Bill instead of lowering the taxation have enhanced taxation ranging between 33 per cent. and 21 per cent. Sir, I say this is sufficient for a case for circulation of this measure, in the interests of the tax-payer and the consumer, among people such as of district local boards, mufassal municipalities, who are all competent to pronounce an authoritative and reliable opinion on the question. Sir, I move:

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That the Bill, as reported by the Select Committee, be circulated for the purpose of eliciting opinion thereon by the 30th June, 1934."

The discussion will now take place both on the original motion and the amendment.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions. Muhammadan Rural): Sir, the memorable speech of the Honourable the Commerce Member clearly showed that he was suffering from what I called the other day "intoxication of the fourth type" which I described during the discussion on the Reserve Bank Bill. This intoxication is due to having a majority of votes in his pocket. It makes a person deaf to the arguments of other persons. I expected, Sir, that on this occasion the Honourable the Commerce Member would lay before us the financial effect of his proposals and tell us what would be the effect on the revenues of the country if this Bill was accepted by the House.

Sir, we do not know whether the acceptance of this Bill would mean fresh taxation in future on some other commodity or whether it will lighten the burden of the country. We are left in the dark about the effect of the measure before us, on the revenues of the country. Sir, in no legislation, to my knowledge, has any taxation proposal been laid before the House without giving at least some indication that this Bill will yield so much additional income or it will yield no income whatsoever. Here, in this case, we are left entirely in the dark, we do not know what would be the effect on the revenues of the country, and, on this important question, the Honourable the Commerce Member has been silent, and I can ascribe no reason for his silence except the intoxication of the fourth type.

There is another point of complaint which we on this side of the House have to make, and, that is, unfortunately the Government of India could not make up their mind definitely about their taxation policy and about legislative proposals, and, as the Session advances, they go on thinking and adding Bills after Bills. It is really the duty of every Government, if it is an efficient Government, to make up their mind before the Assembly Session begins as to what legislative measures and what taxation proposals they would like to lay before the House, and, only in exceptional cases, other legislative measures could be brought forward. Here we see Bills after Bills being piled up, and we are left in the dark as to what would happen. The result is that such important measures as the present Bill are to be rushed through within three days, and this Textile Bill, as we all know, is one of the most important measures which this Assembly has been called upon to deal with; and yet we find that on account of want of time, due to the fact that the Government did not know their own mind, its discussion has been limited to these three days. Sir, the Non-Official Members have got to look after their private affairs, and I hope that in future Government will, at the commencement of the Session, lay before us what legislative proposals they want to lay before the House at that particular Session, and their taxation proposals should all be laid at one time, that is, on the 28th February, along with the speech of the Honourable the Finance Member. But this practice of presenting Bills after Bills and taxation after taxation at all times of the year would really upset the equilibrium, both political and commercial, of the country.

Sir, I do not like to embark on a discussion of the theory of protection. The country has accepted, the Legislature has accepted, and the Government have accepted the theory of protection. But the manner in which this measure is being carried out, of which this Textile Bill is a notable example, is really changing our minds, and we are now contemplating whether really this protection is for the good of the country, or whether it

is used by Government as only a weapon to destroy a class of persons. I don't want to quote from the reports of various Committees on the theory of protection. This theory was started by John Stuart Mill, and he said very clearly that we could support this protection provided it was really for a temporary period. He said clearly that we shall have to sacrifice the present advantage in order to ensure to itself the future ones. Therefore, this thing should be guaranteed that the sacrifice that we are making will really result in something better in future and that all the loss would be compensated. The Fiscal Commission, in discussing the theory of protection, laid down three very important conditions which are mentioned in page 54 of their Report. I do not like to read them out in full, but the first condition is that the industry must be one possessing natural advantages; the second is that this industry must be one which, without the help of protection, either is not likely to develop at all or is not likely to develop so rapidly as it is desirable in the interests of the country; and, thirdly, the industry must be one which will eventually be able to face the world competition without protection and will be able to stand on its own legs. These are the three fundamental conditions, and, in granting any measure of protection, we should see that those conditions are all fulfilled. May I ask, on this occasion, how long we are going to feed our Indian mills? We had a Tariff Board Report in 1927; we had an inquiry by an individual officer; we also had a second Tariff Board Report; we had agreements after agreements; and we do not know when our mill industry will be able to stand on its own legs and how long spoon feeding would be necessary. Of course we on this side of the House have a right to ask how long, in the opinion of Government, these measures are going to continue. Is it for ever or is it only for a limited period? It may be given for a period of five or six or seven years, but they must say very definitely that, after that period, there will be no more protection. To go on repeating this after every interval of three or four years is neither fair to the millowners, nor to the consumers, nor to the tax-payers. Sir, the Tariff Board Report has omitted one very important thing which the Fiscal Commission emphasised that when you begin to compare the amount of protection, you must also find out the cost of production in other countries and compare that with the cost of production in our own country; and, by comparing their cost, you will be in a position to find out the amount of protection that is needed. And, along with this, they recommended one very important measure and that is that after the protection has been granted, it is the duty of the Tariff Board to watch the situation and to see how the protection is really effective. Since this textile industry is one of the most important industries in this country, I think it is very desirable that we should have practically a permanent Tariff Board to watch the situation and advise Government on each occasion.

Sir, before I come to the two agreements and to the proposals in these questions, into the details of which I am not going to enter, I should like to point out one very important fact, and that is that whenever we consider the increase of taxation or increase of the price level of any article, we should constantly keep in mind that India is an agricultural country, and any proposal, which overlooks the increase in the price level of agricultural products, is bound to lead to disaster and it will not be to the good of the country. The other day, I asked a question as to what steps the Government of India had taken or proposed to take to raise the price level of agricultural products, and, in reply, I was referred to the speech of the Honourable the Finance Member of the 27th February, paragraphs

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66 to 68. I read this very carefully, and I found that he has said that there is one thing on which all sides would agree and that is that the paramount need is to raise the level of prices of agricultural commodities. And then he said:

"What is really one of the main maladjustments today, namely, that the prices of primary agricultural products have fallen much more than the prices of the things which the Agricultural producer has to buy."

Sir, it is an established fact that the prices of agricultural products have gone down much lower than the prices of manufactured articles. The Honourable the Finance Member admits it, and here is the Trade Review of India, 1932-33, where you may find the price level of cotton and the price level of manufactured cotton, the price level of jute and the price level of manufactured jute; and there you find an enormous difference. The price level of raw cotton has gone down to 87, while the price level of the manufactured articles have gone up to 115. The price level of jute has gone down to 45 and the price level of manufactured jute only to 87. Therefore, the price level of these manufactured articles is much more than the price level of raw material. And, therefore, any step, which we now take further to increase the prices of manufactured articles and leaving the raw material in the position in which it is, is a step which will be disastrous to the country and will ultimately end up the industry itself. In this particular case, the Fiscal Commission on page 44 clearly said:

"Agriculture is and must remain the foundation of the economic life of India and this is merely because it furnishes the livelihood of three-quarters of the population. Indian industries cannot flourish without a prosperous Indian agriculture, and any form of protection which would seriously affect the interests of agriculture would go far to defeat its own object."

I have said repeatedly—and I repeat it once more—that any attempt to raise the price level of manufactured articles, without, at the same time, raising the price level of our raw products, will be a step which will be ruinous to the country and it will not ultimately do any good to the industries themselves, because the people will have no money to buy, and, therefore, the industry will not derive any advantage. In discussing the theory of taxation, there is one important factor which is very often neglected, and I think we should always keep it in mind: firstly, India is a very big country and is quite dissimilar to other countries elsewhere because, on account of our social relations and past traditions, every person has to maintain his relatives and friends who are unemployed and he supports them entirely. I do not know whether these figures are worked out, but I took the trouble to approach 100 persons and asked them what percentage of their income they spent in maintaining their relatives and friends; and the average was about 25 per cent., that is, every person on an average spends about four annas in the rupee in maintaining his relatives and his friends who are unemployed. This, I call an *invisible tax* which exists in this country alone and in no other country. The unemployed in other countries are paid by the visible taxes which the Government collect from the people: here they are maintained by the invisible taxes which the people have imposed upon themselves. This is the first item we should remember. There is an additional factor, and that is the definite loss of income of people in this country. The loss of income of the agriculturists has been estimated at Rs. 500 crores per annum. I gave figures the other day about the loss of income of the tax-payers (six lakhs in number). Their

loss comes up to about Rs. 100 crores. Then, there is another class of persons who are neither agriculturists nor income-tax-payers, as their income is less than Rs. 1,000 a year. I could not get sufficient data for calculation, but I think the figure cannot be less than Rs. 200 crores. The net result is that Indian people have lost an annual income of about Rs. 800 crores. This loss of Rs. 800 crores, together with this invisible tax of four annas in the rupee, must necessarily aggravate the depression in this country. On account of all these things and the piling up of direct and indirect taxes levied by the Government of India and the Local Governments, the general condition of the people has been so much reduced that even an increase of one pice in the cost of an article will be felt by the people and they would rather go without it than spend a pice extra for its purchase, because they have got no pice extra to spend.

I come now to the Japanese Agreement. The first impression which I got at that time, before I could study it thoroughly, was that it was to the advantage of India. But, going into the matter rather minutely and studying it thoroughly, I find that this agreement is to the great disadvantage of the millowners of this country, and, to my friend, Mr. Mody. I do not know what impression he has formed, but I shall try to show him that this Agreement will do greater harm to the mill industry in India than any other measure that we could think of. The quota system is very good in boom-time but it is exceedingly injurious when we have got depression. If the demand is continually increasing, then this system is all right. But if the demand is continually diminishing, which is necessarily the case at present, this quota system will do a grave injustice to the home production. Here we have got a quota for Japan. Lancashire, to a large extent, exports finer counts piece goods and we do not compete with Lancashire; therefore, whenever there is any decrease in the consumption of piece goods on account of the loss of their income, where will it fall? It cannot fall on Japan, because she has got a quota. It cannot fall on Lancashire, because nobody competes with her finer goods. The depression will fall, to a large extent, upon the millowners, and, to a certain extent, upon the handloom weaver of this country. Therefore, instead of doing any good to the millowners, this particular quota system, at a time of depression will do great harm. Of course, the depression is likely to continue for three years. So long as this depression continues, it is sure and certain that by this quota system the persons who would suffer most are the millowners in the country.

The next thing is about cotton. Of course it appears on paper that Japan is going to purchase one million bales; but, if we look into the matter more carefully, we find that we have done a great injustice to the cotton growers in this country. We know that cotton can be taken to Japan from India only by the Japanese shippers, not by the Indian exporters, because they have got a monopoly of the shipping. The Indian shippers cannot carry the cotton to Japan; it must necessarily be carried on account of certain agreements of which the Honourable the Commerce Member is aware, only in Japanese ships. Suppose there is a merchant "A" who has purchased cotton at a very good price and he has settled with some firm in Japan that he will be willing to purchase at that price. The cotton is lying here; the manufacturer in Japan is waiting for it; but there is no shipment; there is no method by means of which it can be conveyed to Japan, because the Japanese shipper says "I can

[Dr. Ziauddin Ahmad.] :

ship it, provided you sell it at a particular price to me: otherwise I cannot do it". Practically, therefore, Japan will control the market. We have put our neck into the hands of the Japanese by this Agreement. Therefore, to have fixed a quota for Japan, without simultaneously considering the manner of shipment—which is practically a Japanese monopoly—would prove to be injurious to the interests of this country, and the prices in future will not be dictated by the Liverpool market, but by the Japanese, and I think there is no chance whatever for the price level of Indian cotton to rise, so long as this particular agreement in its present form continues.

Unfortunately, Sir, neither the Select Committee, nor the House, nor the Government have made any attempt to solve the real problems that we have before us in this connection. The first problem is how to defend the mills from the competition of the foreign mills. The second is how to protect our cottage industry from the competition of both; and the third problem is how to organise mill industry of this country. I was given to understand by some persons—though I have no authority which I can quote, but the point is one to be considered—that the strikes in Bombay were due to the external interested agencies. It is, therefore, desirable that we should go thoroughly into this matter and create such a situation in India that the mills here may work in unison and may help each other and be a source of strength, because, unless such an organisation is set up, unless we create healthy conditions in running these mills, no amount of protective duty will be doing them any good. After every three or four years, we will have to appoint the Tariff Board and increase the burden on the consumer.

Then, Sir, coming to the Lancashire Agreement, I think my friend, Mr. Mody, would have earned the praise of the country if he had shown that by this Agreement India also gained something. I notice that the advantages to Lancashire are very definite, and they can be translated into pounds, shillings and pence, but the advantages to our country are only of a hypothetical nature. We are only paying a price for the goodwill of Lancashire. This goodwill may be a good and sound political proposition, but certainly it is not a business proposition. We should translate this Agreement in terms of pound, shilling and pence, and not merely in terms of goodwill or badwill of this party or that party.

Sir, before I finish this topic, I should like to mention the manner in which the imports of piecegoods are getting diminished. Last year, in 1932-33,—I have got before me the Seaborne Trade for February, 1934, giving figures for 11 months, I add figures of one month, we then get figures for the whole year,—we find that last year our imports were 1,202 million yards. This will give a quota to Japan of about 31 per cent. This year, the import has been reduced to 752 million yards; this is, the quota to Japan has increased this year from 31 per cent to 55 per cent, and I think, next year, that is, in 1934-35, we will find that this quota to Japan might increase to 66 per cent or even more. Therefore, by giving this quota to Japan, I do not know who are the people benefited in these days of depression. Certainly, the advantages to the millowners of Bombay are very doubtful, and it is also doubtful whether Lancashire will be benefited. It is injurious to every party concerned in times of depression when consumption is greatly falling on account of the fall in the income of the people of this country.

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Sir, I should like to mention here that this Bill is the most important Bill that we are called upon to deliberate, and still the discussion both here and in the Select Committee has been of a very superficial character

Mr. N. M. Joshi (Nominated Non-Official): Except your speech I suppose.

Dr. Ziauddin Ahmad: Our colleagues at any rate expected that we would

Mr. B. Das (Orissa Division: Non-Muhammadan): Do you call your Select Committee colleagues "superficial"?

Dr. Ziauddin Ahmad: Our colleagues at any rate expected that we would go through the figures and the proposals of the Government and satisfy ourselves that these proposals were correct and were justified by facts. This is what our colleagues expected from the members of the Select Committee, but, to our great misfortune, we were not supplied with any extra facts or additional material. Even the evidence taken by the Tariff Board Report in 1932 was not made available to the members of the Committee, nor was any fresh material placed before us to justify the action of the Government, and we are, after sitting in the Select Committee, as wiser today as we were before we went to the Select Committee. When we wanted to know what reasons Government had in favour of the proposals that are now down in the Bill, the only answer we received was that all the proposals were in the Tariff Board Report. Therefore, if this is the whole reply, then I do not see any reason why a Select Committee should have been appointed at all. The Bill could have been merely circulated and public opinion elicited on it, which would have provided enough material for our colleagues in this House. The usual practice in this House had always been for Government to fix the rate after considering every side of the question, and the Select Committee and the Members of the House had to consider whether the rate of taxes was not too high, because, in that case, they could take into account the consumer's point of view, which point of view the Government often ignored.

Now, the position is this. The Government of India have a proposal by which the rates could be diminished by the Legislature, but they could not be increased, because there is a possibility that the consumer's point of view has been ignored, and it is assumed that they have looked into everybody's point of view but that of the consumers. It is very rare, as my friend, Mr. Anklesaria, pointed out, for any Committee to come forward and increase taxation. It can only be done on the Report of the Tariff Board or on the Report of a person or persons who might have made a local inquiry. But if they go on increasing the taxation on account of the personal interest of a few members of the Committee or by a majority of votes secured, as a result of canvassing, I do not know where we land ourselves in this matter. I can justly demand that every efficient Government should definitely make up its mind before coming to the Legislature regarding the rate to be fixed on a proposal. Now, let us see whether, in the broader interests of India, they would or would not care to lower the duty.

[Dr. Ziauddin Ahmad.]

There is one more question, Sir, about which I am very unhappy. do not think that the Government have solved this question satisfactorily. Sooner or later, they will have to solve it, and that is the question of yarn. We know that we have here contradictory forces, and we have to secure a position of equilibrium by considering all the forces together, and I daresay that I have read this part of the Report with great care. I have listened to all the arguments with great care, and I find that Government have not been able to find out a solution for this important question. It is admitted by the Tariff Board that imported yarn from other countries is used almost exclusively by the mills, and, therefore, in the interest of cottage industries, it is absolutely necessary that the price of yarn should be made as cheap as possible, and there should be no duty on it. Unfortunately, foreign countries do not supply the whole of the yarn we require for our cottage industry. I have got here some figures, and I find that in the years 1932-33, the total amount of yarn imported from foreign countries was 32.58 million pounds, while our cottage industry used no less than 364.98 million pounds, or rather twelve times the quantity of yarn made by the spinning factories in India. Therefore, if the spinning factories in India are destroyed, even then the cottage industry will lose heavily, and so if we try to introduce yarn free of cost, it would result in closing down the spinning factories and turning them into weaving factories which will again affect the handloom weavers. Therefore, on the one side we have to protect the spinning factories in this country, while, on the other side, we have to protect the interests of the cottage industry. Now, what is the best way of achieving this object? This proposition has not been properly handled and has not been properly solved. It is impossible for me or for Mr. Thampan or any other person to give a solution. It has to be enquired into very carefully by the Tariff Board or by an expert appointed by the Government of India. This question could not be solved by a few members sitting in the Select Committee and deciding the question by a show of hands. That is really not the way of doing it. You cannot decide this question merely by show of hands or giving votes, either in this House or in the Select Committee. It is a matter which must be seriously enquired into, because to destroy the factories is against the interests of the handloom weavers. To let yarn be free into the country is in the interests of these weavers. These two are contradictory propositions and we have to find out a solution. The solution may be different. The solution may be some kind of excise duty on mill made cloth. I do not say that it should be so, but still this question must be thoroughly enquired into, and it has been left unsolved, and I am not happy about it. Whatever proposals have been made in this Bill as regards that question are not fair, whatever amendments have been made are equally unfair, and, unless we have got good data, it is absolutely impossible for us to come to any definite conclusion. Side by side with this we should take good care about the handloom weaver. The handloom weaver is much more important than the mills in this country. We can sacrifice the mills, but we cannot sacrifice the handloom weavers, and their interests ought to be safeguarded, and we have not gone into that question very carefully. The costs of primary products which these handloom weavers are using have been increased and we have not gone into the question. This is the second point that I want to have a thorough enquiry made into. If the villagers, who are engaged in this

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handloom weaving, go out of employment, then we will be faced with a very difficult situation, a very difficult economic situation, which will be very hard for the Government to face. Because, after all, you must provide a living for these people, people must exist, and if they begin to starve and die on account of hunger, they become desperate and may take any action they like. Therefore, any measure which will deprive ten millions of people of their means of livelihood is a very serious one, and it will lead to very difficult situation. This is also an important problem which we must look into.

The next point to which I should like to make some reference is the question of artificial silk. I think it is a mistake to call artificial silk by the name of silk. It is a wrong word. It is really a kind of cotton which ought to be classed under the same heading as cotton industry. Even the Tariff Board, at page 185, said . . .

An Honourable Member: Will you call it artificial cotton?

Dr. Ziauddin Ahmad: You call it beautiful cotton or shining cotton or by any other name, but certainly it is not silk. The Tariff Board Report says:

“We propose that the rate of duty applicable to artificial silk fabrics should be applied to mixtures of cotton and waste silk, except where the proportion of waste silk is not more than 15 per cent. of the total weight. In such cases, the duty will be levied at the rate applicable to coloured piecegoods.”

This is really a very important pronouncement, and I think artificial silk ought to be classed as cotton and the duty should be put accordingly.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): Is it made of cotton?

Dr. Ziauddin Ahmad: It is made of a certain kind of plant fibre.

Mr. Bhuput Sing: Not cotton?

Dr. Ziauddin Ahmad: No.

An Honourable Member: It is neither silk nor cotton.

Another Honourable Member: Call it rayon.

Dr. Ziauddin Ahmad: But still it should not be called artificial silk, and certainly it is not cotton. Coming to the question of silk, I shall just say one or two words. The silk industry at one time might have been in a flourishing condition, at least in my Province it was so at one time, but certainly it does not exist now to any large extent in British India. It really exists in two Indian States, Mysore and Kashmir.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Bengal.

Dr. Ziauddin Ahmad: I will come to Bengal. We are not justified in levying a very heavy duty in the interests of two Indian States, and, considering the Bill that we passed yesterday, on one occasion you pass a Bill by means of which you try and divide Indian States and British India more and more, and, on another occasion, the very next day, you come forward with a Bill to help Indian States.

My Honourable friend mentioned Bengal. I request him to read the report of the Tariff Board on Sericulture, and he will find that his own Government take absolutely no interest in the development of the silk industry.

Mr. A. H. Ghuznavi (Dacca *cum* Mymensingh: Muhammadan Rural): That statement is not correct.

Dr. Ziauddin Ahmad: I go by the Report of the Tariff Board. I do not come from Bengal. I go by the Report of the Tariff Board on Sericulture, and that is what they say, and it is for Honourable Members to say whether it is correct or incorrect.

Mr. K. C. Neogy: You are right.

Dr. Ziauddin Ahmad: My submission is that, unless, in this particular case, a demand comes from the Provinces, unless they say that they are now going to encourage this particular industry and that they will take every precaution and every measure to encourage it in their respective Provinces, it will not be right for us to levy a heavy protective duty when there is no demand from the Provinces. If my Honourable friend can prove that the various Provinces are very anxious that this particular industry should be protected and that they are very willing and ready to help it themselves in a liberal manner, then we should agree. But to put on a duty first and then to expect the Provinces to rise to the occasion is really putting the cart before the horse.

In the end, I come to this vexed question of hosiery. I will not enter into details at this stage, and I follow the example of my Honourable friend, the Commerce Member, and will take it up when the item comes before us. But I take this opportunity to point out one grievance which I at least have in this particular matter. The whole trouble in this matter has arisen on account of the fact that the Government have not been able to make up their mind definitely as to what they are going to do. Had they made up their mind definitely that they were going to give this amount of protection beforehand and stuck to their guns, there would not have been trouble. But for some reason of their own, but which they have never given on the floor of this House, they have not made up their mind definitely. There was one Bill which was intended to give temporary shelter or to restore the competitive conditions of 1931, and certain articles were given protection. Government must have known at that time that this particular article would appear again in this Textile Bill. They ought to have made up their mind beforehand whether the duty was going to be by weight or by number. It was for them to decide, and they ought to have made calculations before forming their opinion and before bringing a Bill before this House. My complaint is that all this trouble is due to the fact that the Government have not been able to make up their mind definitely on this particular topic. They made one

proposal, and just on the day when the report of the Select Committee on that proposal was laid on the table, they made another proposal in this Bill and began to discuss the whole question *de novo*. Take the question of hardwares and earthenwares. We on this side of the House did not agree with the Government and we thought, and still think, that the figures which the Government had in their possession were wrong, that they made their calculations on a wrong basis, but still we discussed the matter and we finished it once for all, rightly or wrongly. But, here, as regards this hosiery, discussions are still going on on account of its introduction again in this second Bill. That is our objection. Had the Government stuck to the recommendations of the Tariff Board, that is, Rs. 1-8-0 a dozen, and not changed their opinion during the course of the discussions, except perhaps giving the same kind of concessions which they gave to the case of plates, that is, in the case of the plates they had specific duty varying with the sizes, it would have been a generous treatment. They simply accepted that this rate of Rs. 1-8-0 may vary slightly with the sizes, ranging from one rupee to one rupee and 12 annas for different sizes. If we adopted the recommendations of the Tariff Board, all these difficulties would have been avoided. What they did was that they had a uniform rate of Rs. 1-8-0. They would not consider any question of variation according to the sizes, and suddenly they changed their angle of vision and came forward with a different duty calculated on weight basis and not listening to the case of the fleecy articles. I do not want to go into details, but I like to mention one particular point before I give up this question of hosiery. When the Government changed their mind to increase the duty, they may have some very good reasons, but certainly those reasons were not given in the Select Committee, and the arguments that were given in the Select Committee were so fallacious that I could not possibly understand how a man of commonsense would accept them. What they did was that they modified the recommendation of the Tariff Board Report. They modified the *c.i.f.* prices, without considering the reduction in the cost of manufacture due to the fall in price of yarn and the fall in wages. If the cost of the imported articles has diminished, the cost of manufacture has also diminished, and to decide this question simply by a show of hands in the Committee is unjust and incorrect. I am not blaming the protection duty, but I am blaming the manner in which the whole thing was handled by the Government which is certainly unjust to the people of this country. There are some other defects in the arguments that have been placed before us. Some of the figures were read out to the Committee, and we were not given time to consider them. I do not want to go into details now as we shall have opportunities of speaking on the amendments. I, therefore, resume my seat with the remark that Government have done great injustice to this country and to the textile industry in not giving us the full data by means of which we could come to the right conclusion, and they have not given us sufficient time to discuss it on the floor of the House. Sir, three days for a Bill of this kind are hopelessly insufficient.

Mr. President (The Honourable Sir Shanmukham Chetty): As the two speakers who have spoken this morning have referred to the inadequacy of time, the Chair could point out that nobody has bound the House that this Bill should be disposed of either in three days or even in thirty days. It was only an indication of a general agreement on the part of the Leaders of Parties in view of the programme before the House and the

[Mr. President.]

time available. While we are on this, the Chair would like to make one observation with regard to our procedure. No doubt the speeches of the two Honourable Members who have occupied this morning are quite relevant to the motion which is under discussion, but the Chair would like to point out to the House that there is a difference between what is technically relevant under a Standing Order and what is really relevant to the discussion before the House. In considering the time taken up by the discussion of a Bill, the House has to consider not merely the time taken up in one particular stage, but the time taken up with the discussion since the Bill was first introduced. The Chair would point out that in connection with this Bill, when the motion to refer it to a Select Committee was made, the House had four days discussion, and 30 speeches were delivered—the Chair has got the list before it. The House had a very full and exhaustive discussion on the general principles of the Bill, the policy of free trade and protection, the Indo-Japanese Agreement and the Lancashire-Bombay Millowners' Agreement. Though, after the Bill has come from the Select Committee, Honourable Members would be entitled to cover part of the same ground over again, yet the Chair wants to draw the attention of the House to this fact that what would really be relevant from a wider point of view at this stage of the discussion is a review of the Bill as it has emerged from the Select Committee. Honourable Members must at this stage of the discussion concentrate their attention more on the aspects of the Bill as it has been amended by the Select Committee. On the Order Paper Honourable Members will find that there are about 34 amendments to the Bill. Now, the House must decide the relative importance of a general discussion at this stage and concentrated discussion on these 34 amendments. If the House thinks, and it is entirely for the House to decide and nobody can interfere with its discretion, that attention must be concentrated on these amendments, then the House would be well advised to proceed to the amendments as early as possible. The Chair is only giving this general direction to the House to enable it to know exactly how to proceed with the discussion.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Mr. President, this measure is one of those examples which go to prove that under the British system of Government the rich govern the law and the law governs the poor. It proves beyond a shadow of doubt that the rich can manipulate anything to get any legislation passed, and to bring pressure to bear upon the Government by their propaganda, the Press being at their disposal, the cinema and other entertainment houses. It is not difficult for them to see that the measures which they consider necessary for their protection and for their benefit are pushed through in a House in which, out of 104 elected Members, as Mr. Anklesaria pointed out, no less than 80 are representatives of rural constituencies. Measures detrimental to rural interests and measures which go to the very root of the existence of the cultivator are getting passed, although there is a large majority of the representatives of these rural people to protect the cultivator and the labourer. The cost of protection to the country is too top heavy. Sugar is one example, as has been pointed out by Sir George Schuster, the Finance Member. The present measure for the protection of the textile industry is another example. No industry, once you give it protection, likes to give it up. For however long a time you may give it, it never

tries to give it up. It will want more and more protection every day. The Tariff Board may estimate that seven years will be enough, but whatever the period once estimated, when once protection is granted, the industry never gives it up. I shall now quote from a book by Beveridge. He says:

"The plain fact is that however economists may theorise about temporary Protection of infant industries, Protection once given is in practice not temporary; it, proves as hard to get rid of as an amendment of the American Constitution. The infant industries never feel themselves grown up; if they grow up at all they devote, their manly strength to fighting for bigger and longer Protection. This is the lesson of all tariff history in every country with a tariff for the past sixty years. It is the moral of every temporary duty imposed in Britain since the War. "One of the fathers of Canadian Protection—Sir Charles Tupper—declared long ago that 'given fifteen years of Protection the infant industries of Canada would be able to stand alone'. The fifteen years are gone; twenty-five years are gone. The infants are still in arms". This Professor Smart wrote in 1903. Today fifty years are gone; in the fifty-third year, the infants have to be rescued by an emergency tariff."

This shows that once you give protection to an industry, they fight harder and harder to get more and more protection to fill their own coffers, without trying to improve the efficiency of their industries. When, infant, the industries cry for it, when grown up they fight for it. The cost of protection to India has been estimated to be as much as 16 crores of rupees per year, and this huge sum the tax-payer and the poor masses of this country have to pay by way of more and more additional taxation which inevitably becomes necessary, to make good the shortage in the revenues caused by the granting of this protection to the different industries. Sir, how long can we continue to give such protection? There is no limit to the number of industries. Even industries, having one or two factories in the country and of very little importance, go up to the Tariff Board, and the Tariff Board considers it their duty, in order to keep their own Board going, to grant the protection asked for. There are so many examples,—I need not mention names. There are so many instances where the Tariff Board Members initially grant protection to certain industries and then they become the employees, receiving exorbitant rates of salaries of those very industries. Then, they again get on the Tariff Board and grant protection to some other industries, and then they accept positions of high salaries in those very industries. That being the state of affairs, can it be pointed out that there was a single industry whose case was refused by the Tariff Board by not granting protection to that industry? Sir, the Tariff Board complacently assumes that it is absolutely necessary for them, apart from the merits of the case, to come to the finding that a certain industry must receive protection, because the Government themselves have referred that case to them.

Sir, the millowners of Bombay point out that there is no antagonism between the interests of the millowners and those of the cultivator. I fail to understand, Sir, how they could say that. Naturally, the millowner considers it to be in his own interest to sell his goods at as high a price as he can get, and, on the other hand, to buy his raw materials at the lowest price possible. If they want protection for their own mills and for the benefit of their own invested capital, why cannot they undertake to pay a decent fixed price for the cotton of the cultivator, whatever may be the circumstances? They patronise foreign cotton to the detriment

[Sirdar Harbans Singh Brar.]

of the Indian cultivator, and they have the cheek to expect that the peasant should support them and give them millions of rupees worth of protection every year out of his own meagre and paltry income! Sir, there has not been a single example of providing rural representation on the Tariff Board for protecting the interests of the producers of raw materials and of consumers, which has always consisted of members drawn from the big manufacturers or industrialists or other commercial people, to whose natural interests it is that protection should be granted to industries, because, if they refuse to do so, then, when the case of their own industries comes up in turn, they will be neglected. Sir, it is scandalous that the interests of the rural people, the interests of 98 per cent of India's people, who are agriculturists, should thus be neglected and fail to secure representation. and it is absurd to expect that their interests would be effectively watched by this Tariff Board which only concentrates on granting protection to industrialists and other capitalists. (Hear, hear.)

Sir, the very fact that no industry has ever been refused protection shows that the Tariff Board people, representing as they do the vested commercial interests and the interests of manufacturers and capitalists, should always seek to protect their own concerns. There has been but one brave example of a good-hearted European official who once had the courage to refuse the millowners' claim, and that was my Honourable friend, Sir Frank Noyce. (Applause.) Be it said to his credit that he considered the interests of those among whom he had lived so long and for whose interests he came to serve this country must be served, but, Sir, such examples are very few and far between. Sir, the mill people point out that the profits they earn are not enough to keep their industries going, and here is an example in the cotton industry. I quote from "The Indian Tariff Problem" by Dr. Hirendra Lal Dey, M.A., D.Sc.:

"The extravagant financial management of the Bombay mills will be apparent from the following instances: In 1920, two mills paid dividends of over 200 per cent., 14 mills paid 100 per cent. and more, 20 mills paid 40 per cent. and more. Mr. Pearce gives instances where the shareholders were not satisfied with a 400 per cent., but expected a 500 per cent. dividend. (*Vide The Cotton Industry of India, page 65.*)"

An Honourable Member: Shame, shame.

Sirdar Harbans Singh Brar: If they calculate the average for a number of years, it will be proved beyond doubt that they have been receiving fair dividends, but what they do is this. When they receive 400 per cent or 500 per cent dividends, they will not quote those years, but they will pick out one or two years of depression and show that in these years they have not received any dividends and that their condition is very poor and in a very depressed condition and that they must receive protection. If, during the time when they received these high rates of dividends, they accumulated reserves and improved their efficiency, reduced their overhead charges and paid their labourers fair wages, so that they might feel an interest in the industry itself, as in the well-known case of the Ford industry in America, the labourers having been given shares in the concerns themselves as bonuses after a number of years to a limited extent, or something like that, how much beneficial would that have been to the people as a whole! Sir, the instances of fat dividends I have

quoted must have shown that Mr. Mody's contention that the mills are suffering and that their condition is very poor is thoroughly demolished. There is no case proved that the mills are not making a decent and a fair profit on the capital invested by them. I, therefore, think, Sir, that, under these circumstances, if protection is continued to these people, they would never give it up at any time. The Tata steel industry is a case in point. The Tariff Board had estimated that within seven years the industry would be able to stand on its own legs and that no protection would be needed, but within a few months we are getting a Bill to extend the protection to that industry for a longer period. Sir, whenever an industry gets protection, it never likes to give it up. That is human nature,—that is commercial intellect, that is commercial genius, that is commercial morals. (Hear, hear.) No one likes to give up the profits that have once accrued to him, and we cannot blame such fellows. Everybody who is in business would like to do the same. But, is that fair to the masses, is that fair to the country as a whole? Sir, I do not think such instances should be allowed to be multiplied, to the detriment of the country as a whole. It has been shown to us that piece-goods from outside are coming in lesser and lesser quantities for some time now. Now, if that is so, then the competition is naturally reduced to a lower level than formerly, and, the competition being less, the ground for protection goes away.

Mr. President, under these circumstances, and for all these reasons, I consider that protection should no longer be allowed to continue, and, in the interests of the general tax-payer and the vast mass of consumers, no more industry should be given protection. Sir, from the minute of dissent by Mr. Ghuznavi, appended to the Report of the Select Committee, it is clear that the Select Committee itself, far from reducing the duties, has increased them in such a short time that the Committee itself had no time to consider the details and the effects of the increase in the figures. Was that fair? I can not understand. Mr. Ghuznavi has put it in very plain language. He says:

"The most noticeable feature of the present report is that in as many as five instances, amendments made have the effect of increasing the taxation proposed by the Bill. It is also a novel feature so far as my experience of this Assembly is concerned. The fact that the Government have accepted these amendments and are obtaining the sanction of the Governor General as regards these increases, goes to show that either the Government inquiry leading to the Bill was superficial or that the Department of the Government concerned with the preparation of the Bill was unaware of relevant and important considerations which led them subsequently to change their mind and accept the amendments. In either case it is regrettable in the extreme."

Mr. President, I should consider that it is most unfair and it is most unwarranted that duties on articles that are used by the consumers should be increased without a proper inquiry by the authorities which originally considered these proposals for the grant of protection to these industries. The Select Committee was not an expert body and it would have been best if this matter had been referred to the Tariff Board for consideration and for report. But no such step was taken. Instead of doing this, the whole matter was finished at once sitting within half an hour. No sadder commentary could be made at such a doing. If such facilities and opportunities were given as Mr. Ghuznavi had asked for, the following

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defects would have been apparent. While the price of the Indian underwear was taken as that of 1932, that of Japanese vests was taken as that prevailing in 1934, with the result that there was no proper comparison. The prices should have been taken of the same year for both the articles. Then, there are many other instances in which the Report that has now been presented to us has not considered the pros and cons of different proposals and different amendments which the Select Committee has introduced. In spite of all that, they thought that the amendments were not of such importance as to require the re-publication of the Bill. I am surprised that the Select Committee should increase the taxation proposals and increase the amounts of duty without any expert inquiry and then should not consider it necessary to publish the Bill. Sir, protection should only be resorted to in very extreme cases of key industries without which the security or the fate of the country will be in danger or which is in the interests of the country as a whole and not of a few people. The industry should be considered as of vital importance to the peace and prosperity of the nation as a whole. But, what do we find here? For the last four years, these measures of protection, one after the other, are being introduced for the benefit of a few millowners or of a few millionaires representing a very small proportion of the general population of the country. If the millowners really do want protection and want the support of the rural representatives, then they must give an undertaking, and the Government also must give an undertaking that the cotton interests will be as much safeguarded, and that the duty, instead of being two pice per lb. would be increased to two annas per lb. on foreign cotton, so that the price of our raw materials should increase in our own market. That will be a course which will be beneficial both to the industrialists and to the cultivator. Unless some adequate protection which will keep the cotton grower going is allowed to us and granted to us, I, for one, as representing rural interests, would not be a party to granting any protection to any industry however rich or important it may be. Sir, this Japanese Agreement has fixed a quota of buying Indian cotton and also of receiving piece-goods from Japan. But the space allowed in the ships is absolutely in Japan's hands. Indian traders, who deal in Indian cotton for Japanese exports, are not allowed any space in these ships, so that, the trade of Indian cotton, as far as Japan is concerned, will be entirely in Japan's hands and they will be able to manipulate its prices to their own benefit and to their own advantage. Such an unfair adjustment should not be allowed to stand any longer. It is not yet too late to change it. We should even now insist that full facilities should be given to Indian traders, as far as space is concerned, in Japanese ships for exporting our cotton to Japan. If the Japanese firms and the Japanese Government are not prepared to grant such facilities to our countrymen, we should put an embargo on their goods just as they boycotted our cotton when it was in their interests. Those countries, which treat us in such an unreasonable manner and to the disadvantage of our poor people, should not be allowed any concessions or any rights.

Mr. President, I do not want to delay the House for going to lunch. I shall bring my remarks to a close by making this proposal to the Government and to the millowners that if they will be prepared to grant

protection to the cotton industry, I mean the raw cotton, by way of putting a higher duty on the import of cotton from outside, say two annas instead of two pice, and also grant us facilities for exporting our cotton to Japan by way of securing for the Indian dealer in cotton a space in the Japanese ships, we will be prepared to withdraw this amendment and not press for the circulation of the Bill.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. A. H. Ghuznavi: Sir, I shall raise my little finger of protest against anything that is likely to hit the masses or the agriculturists, whether it falls on deaf ears or not. I am not here to support a dilatory motion of this kind, but what tempted me to put my signature to the notice for that motion was this.

When the Select Committee and the Government give the go-by to the Tariff Board recommendations and they made new recommendations raising the very tariff which they themselves proposed after considerable discussion among themselves and when the Tariff Board Report had been in their hands for full fifteen months, and, after considering for over 15 months, they came out with a proposal that either it should be Rs. 1-8-0 a dozen or its equivalent nine annas a lb. and the Government made those proposals before the House and got the Select Committee accept the principle and on that principle this House passed the Select Committee motion, and, after doing all this, what do we find when we go to the Select Committee? One or two telegrams were read to us, and, in half an hour, the Government accepted the industrialists' propaganda raising the duty from nine annas to 12 annas a pound.

An Honourable Member: Where are those telegrams?

Mr. A. H. Ghuznavi: They are in the Commerce Department.

Sir, in my experience of the last eight years in this Assembly, I have never had an experience of this kind that the Government, after considering a proposal for 15 months and after such a long deliberation, altered their considered proposals in the Select Committee and raised the duty by 33½ per cent, due to the clamour of a few industrialists. What is the position, Sir? The Tariff Board was asked to make an enquiry on the 9th April, 1932, and they submitted this report on the 10th November, 1932, and, even in March, 1934, we have not had a copy of the evidence to enable us to find out whether their conclusions were justified or not. We are merely asked to accept those findings. Having accepted those findings, what do we see? The Government give an absolute go-by to those findings and they go on increasing the taxation. In five very important items the taxation has been raised, because telegrams were sent out and the rates were found. What was the telegram? The telegram was to find out the

[Mr. A. H. Ghuznavi.]

present price of the Japanese cotton vests. The Tariff Board very clearly said that the average cost of a vest weighing three lbs. two oz. may be put at Rs. 3-5-6. This finding was in 1932, not in 1934. The Indian manufacturing price has gone considerably down since then, and, on this, they say, allowing so and so, and so forth, "they consider a fair selling price of Rs. 3-14-0 a dozen comparable to the Japanese vests weighing two lbs. eight oz. a dozen which are imported at the *c.i.f.* price of Rs. 2-6-0 a dozen". An alternative statement of costs works out to Rs. 4-8-0 a dozen after providing for depreciation, interests and profit, and, therefore, they recommend that, according to this comparable figure of the price of the Indian manufacture and of the price of Japanese imported goods, the extent of protection necessary would be Rs. 1-8-0 a dozen. They say it would be very difficult to put it on a weight basis, and if you work at Rs. 1-8-0 a dozen and two lbs. eight oz. as the standard basis, you will find that it works up to nine three-fifths of annas a lb. Even this enquiry on hosiery was treated by the Board in the same way as you, Mr. President, have treated your wig, that is to say, as a subsidiary matter.

Here is this Tariff Board Report covering textiles to 175 pages, and hosiery and braids taken together cover only eight pages. But the relevant matter, so far as hosiery is concerned, is covered in two pages, 179 and 180. Sir, I have carefully studied this Report and I find that they have taken figures from a factory in Ahmedabad, and in Bengal they have gone on materials supplied by what is called the Bengal Hosiery Association. As regards their socks, they have gone to a factory in Lahore. There is nothing in this Report to show that they gave opportunities to the importers to place before them facts as to what was their *c.i.f.* price. All those who are interested in manufacture alone gave them the figures. They do not say they tested those figures. I have seen a letter addressed to the Tariff Board by the Hosiery Importers' Association, Calcutta, offering to give evidence. They never gave an opportunity to them to place their evidence before them. Even on those meagre findings in respect of cotton hosiery which was treated as a subsidiary matter, their finding has been Rs. 1-8-0 a dozen which is equivalent to nine annas a pound. And here we are, at the instance of a quarter dozen or half a dozen industrialists, straight-away raising it from nine annas to 12 annas a pound, forgetting that India is an agricultural country and the poor masses cannot afford to pay higher prices. Sir, if you go through this book, you will find that there is nothing to convince you as to the accuracy of such figures as are available, and unless the evidence is produced to find out how they arrived at those findings, it is hopeless. There is the other side. They tell us that these figures were not correct and they challenge those figures. But unless we can get hold of that evidence, we are not in a position to find out whether these gentlemen are correct or their finding is correct, because we have got no material to judge and come to a conclusion. We have, therefore, to accept their finding as correct. Sir, those of us who represent the other side of the case in this House are laughed at; they are called members for Japan and members for the importers. But I should like to know, have we or have we not got a duty to our constituencies? Most of them are agriculturists, and, therefore, we represent their point of view that, because we have chosen to put so much money into the pockets of these industrialists, these poor fellows will suffer and they will have to go, like Mr. Gandhi, in loin cloth.

I am not talking of socks now, because you may call it a luxury. But what about the vest which every Muslim requires to cover his body when saying prayers and which is, as I am told, required by every Hindu also? You are penalising them; you do not follow the principle that has been enunciated by the Fiscal Commission. They have distinctly said that the burden on the consumers may be viewed in two aspects, the extent and the duration, and in both the importance of discrimination in reducing the burden to a minimum is clear. Then they say:

"With regard to the extent of the burden, namely, the rise of prices, we have already shown that the fewer the articles on which increased duties are imposed, the smaller will be, not only the direct effect arising from the cost of these articles and their substitutes, but also the indirect effect through a rise in the general level of prices. We need not recapitulate the importance to the great mass of the people and to the interests of agriculture of restricting the rise of prices to a minimum. This can only be achieved by exercising a wise discrimination in the selection of industries for protection."

Now, Sir, whether this hosiery industry is a suitable industry or not for protection is yet to be considered. They say:

"If protection is extended to unsuitable industries, they will never reach the stage at which the shield of protection can be discarded, and will remain a permanent burden on the community."

Now, look at the duration of the protection they have given here. Five years.—and the protection is given to the extent of nearly 260 per cent in some cases. I do not know of any country in the world where they cannot manufacture all that they require of a particular article for the masses putting a higher tariff wall of 260 per cent and thus preventing imports coming in to supply the needs of the masses at a cheaper price.

Mr. J. Ramsay Scott (United Provinces. European): Compare with Japan.

Mr. A. H. Ghuznavi: Japan not only has provided for her requirements completely, but she is ready to provide for the rest of the world at competitive prices. You ought to be ashamed of saying "Compare with Japan". The point is this that Japan must raise her tariff wall, because she has got an abundance of goods for her own consumption and she wants to provide the rest of the world with her surplus production. Surely she does not want others to go and dump her market while her own goods lie unsold, (Interruption) because they are industrious and efficient, and not inefficient. That is the answer. Your Province has been described fully by an Honourable Member sitting on these Benches as the most inefficient fellow that was ever known. You want to raise a high tariff wall for goods you do not make. As soon as some say that you do not make these goods here, you say "Yes, I do". But I challenge you to prove it. There is a certain class of goods, called fleecy shirts. I have gone all over Delhi myself to buy one piece of Indian fleecy shirt, and I challenge my Honourable friend, Mr. Hardy, to bring one from the Delhi market made in India. I telegraphed yesterday to go through the whole of the Calcutta market and they telegraph back to me that they cannot find Indian fleecy shirt in that market. I interviewed three big hosiery merchants in Delhi and I telephoned last night and asked them if, during their experience of thirty years or more in that trade, they had ever known a fleecy shirt made in India

An Honourable Member: What is a fleecy shirt?

Mr. A. H. Ghuznavi: The difficulty is that Mr. President has given a ruling that I must not demonstrate samples here (Laughter); otherwise I have a sample which I can produce. It is very difficult to describe it: it is a kind of fleecy vest

Mr. J. Ramsay Scott: It is a cotton imitation of a woollen vest.

Mr. A. H. Ghuznavi: If that has satisfied my Honourable friend, I am satisfied.

There is also another novel thing which I have not experienced in my life in the Assembly for the last eight years. A Bill is introduced on the 22nd December: another Bill is introduced on the 5th of February for the same article—one at Rs. 1-8-0 a dozen and the other at nine annas a pound. Not even two months have elapsed. It is amazing. The first was introduced on the 22nd December, the last day we sat here during the last Session: then we came back on the 24th January; and we went into Select Committee with that old Bill, and, by the time, 3rd February, we submitted our Report, on the 5th February the Commerce Member came out with another new Bill for the same goods; but this time he changed it from Rs. 1-8-0 a dozen to nine annas a pound, but he explained that there was no difference at all: one was based on quantity and the other on weight. It is amazing. What was the use of two Bills? As I remarked the other day, you make this Assembly sit nearly 16 days or at least 10 days knowing that one Bill would have sufficed and ten days would have been saved and we might have been saved from sitting till one and two o'clock in the morning and in this heat with all these *khus khus* curtains. On that old Bill, there was a discussion. It was made abundantly clear that the Indian production was not more than 23 per cent; and, before Mr. Ramsay Scott makes a challenge that we produce 200 per cent or cent per cent, here are the Government figures, and the Government figures show even less than 23 per cent. These figures were supplied to us in Select Committee. With this fact in view, that they can only supply to the extent of 20 or 23 per cent, you are putting on a prohibitive duty of something like 260 per cent in respect of some qualities preventing their import into this country, and you still maintain that prices will not go up or that it can be paid by these poor masses, I could understand if you did this: if you were in a position to supply at least 80 or 75 per cent, even then, according to the Fiscal Commission's Report, you can only ask for a reasonable protection and not for a prohibitory protection as you have got now by clamouring

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(The portion in asterisks was expunged by order of the Assembly.)

Sir Cowasji Jehangir: This can all be done in the amendment; you can say all this on the amendment, or more if you like.

Mr. A. H. Ghuznavi: The details, as my Honourable friend, Sir Cowasji Jehangir, has just pointed out, can be discussed during the amendments. All that I want to say is this: you have passed the Tariff Bill, the Bill that we passed last time. You have again brought in this new Bill dealing

with, amongst other things, the same hosiery. If you want to stick to your own proposals, nine annas a pound, do so. We have not the least objection. That has been your considered view; but if you want to raise it to 12 annas a pound, surely have another investigation before you do so, and you do not suffer. The previous Bill is in force at Rs. 1-8-0 a dozen. Come up with your fresh proposal after investigation in July or August. Leave out that item, Item No. 1580, from the present Bill and carry this Bill. By the previous Bill, you are getting Rs. 1-8-0 a dozen, that is equivalent to nine annas a pound that protects you in the meantime. If you think that you have to raise it to 12 annas a pound, make an investigation, ask an expert to investigate and get all interested parties to be represented. Come before us with a fresh proposal in the next Session of the Assembly when we shall have all the materials to enable us to deal with the matter properly.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhamadan Rural): Sir, I regret that the Honourable the Commerce Member made a very brief speech in moving this motion. I do not believe, as my friend, Dr. Ziauddin, does, that it is the intoxication of the fourth type that induced the Commerce Member to do so. I think he is not capable of following the principle of not caring for public opinion, because he has got the majority of votes at his command, and I should be the last person to attribute any such motive to him. But, Sir, I really regret his brief speech in making this motion, because the Report of the Committee has been printed on one page, while there are minutes of dissent which cover over ten pages of closely printed matter, and I thought that the Honourable the Commerce Member would reply to some of the points that have been raised in these minutes of dissent. That would have simplified matters and cut short the discussion on the amendments to a great extent. I should like to refer to a few of these minutes of dissent.

Now, Sir, going through the minute of dissent of my friend, Mr. Thampan, I find, he says that the Tariff Board Report dealt with the conditions in the industry which existed two years ago, and it was the duty of the Government to have furnished the Committee with upto date data. This is what he says in his minute of dissent:

"It was the duty of the Government to have furnished the Committee with data bringing the facts mentioned in the report upto date. Not only have they not done that, but they have not even published the evidence taken by the Board. Even the copies of the representations made by certain Associations which I wanted were given to me on the last day when it was too late to digest the facts and use them. I protest strongly against Government not having circulated in the Select Committee the evidence taken by the Tariff Board. For this reason I feel that adequate consideration has not been given to many items and the treatment given to raw silk in particular was, to say the least, very trivial."

Sir, here a very responsible Member of the House makes certain accusations, and I thought the Commerce Member would try and meet the charges levelled against the Government. I remember distinctly that in one of your own speeches you said that we should take the facts and circumstances from the Tariff Board. The House is not bound to accept their inferences, but so far as facts are concerned, I very clearly remember your having said that we should be bound by the facts as set forth by the Tariff Board Report. Of late, however, there has arisen a new and peculiar procedure. In connection with almost all these Bills, the Central Board of Revenue

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creeps in. I do not say anything derogatory to the consideration that is due to the two Members of the Central Board of Revenue, but I feel that there should be some means for the Members of this House to know what the position of the Central Board of Revenue is in these matters. If Government consider that they can get these facts tested and verified by the Central Board of Revenue in a better manner than by a Tariff Board, then they should make it quite clear, and this farce of a Tariff Board should be done away with. This is not the only occasion on which this practice has been followed, but there have recently been several occasions when the assistance of the Central Board of Revenue was taken to go over the decision of the Tariff Board, and I think it will be my duty to place this matter before the House when we find that the Tariff Board's Report, even as regards the statement of facts, is not accepted, and the Select Committees are hustled into accepting some facts obtained by the Central Board of Revenue collected by them in their own way, and the Select Committee has to base their inference on those facts, untested and unverified on many an occasion

Mr. N. M. Joshi: Why should they allow themselves to be hustled?

Mr. S. C. Mitra: Because, as in the House, so in the Select Committee, Government have always a majority with them, and they can carry anything they like.

Then, Sir, in Mr. Thampan's minute of dissent, I find he refers to another point, which is also supported by Mr. B. Das. This is what Mr. Thampan says:

"The textile industry has already had the benefit of protection for some time, but it is notorious that it has not done anything worth mentioning during the time to put its house in order. On the other hand, the Tariff Board clearly states that without the aid of protection the majority of mills in India will find it impossible for a long time to come to realise any return on their capital. I have no doubt that unless some kind of control is exercised over the industry by the State it will not, even if it can, get out of the moribund condition into which it has now fallen. If the industry looks up to the State for protection, the State has every right to lay down certain conditions under which alone that protection can be given."

I entirely agree with my friend, Mr. Thampan. I further agree that the protective duty that has been suggested in this Bill should be given. I have no quarrel with the principle or even with most of the suggestions contained in this Bill, but what I contend is that the point raised by Mr. Thampan and supported by Mr. B. Das subsequently that certain conditions should be imposed upon the industry, that seeks protection through the Legislature, is a point worthy of serious consideration by this House. It has been pointed out by my friend, Dr. Ziauddin Ahmad, that a protection certainly means further taxation on the consumer in two different shapes, but it is an accepted principle that we are agreeable to further taxation provided we are assured of advantages later on. But, to secure that object, there should be certain conditions imposed on all the industries that would seek any relief in the shape of protection from this House. The point was raised by my friend, but I understand that the Chairman of the Select Committee ruled it out of order. Sir, here I would request you to give us a direction about the procedure that should be adopted in Select

Committees when Members find that the rulings of the Chairman are not sound according to their judgment, and I should like to know what is the remedy for any Member when he finds that a particular ruling of the Chairman goes against a precedent. I should like you to enlighten us on this point. Have the Members any right to seek any further direction from you, Sir, as President of the Assembly? I do not say that in this particular case the ruling was wrong, but it will be a valuable direction for all time if you will kindly give some direction from the Chair as to the procedure that should obtain in this House about the rulings of Chairmen of Select Committees. When there was a Select Committee on the sugar industry, over which you presided, you as Chairman gave us the latitude to insert conditions should the industry claim them from the Legislature in the shape of protective duties, but on this occasion I find that the decision of the Chairman was opposed to the decision which you, Sir, gave in an earlier Select Committee. I understand that an attempt was made to differentiate the two cases, that this was merely an amendment of the Tariff Bill, while the other Bill was a protective Bill. Sir, I maintain that it is a distinction without any difference, because it must be admitted that the whole purpose of this Bill is to protect the Indian industry, and, therefore, I cannot see how it fails to be a protective measure, merely because Government, for some reason or other, have brought it up in the shape of an amendment of the old Tariff Bill. But I leave it there, and I invite your direction and guidance in this matter, whether Members of a Select Committee have any right to ask for redress when they find that the ruling of the Chairman of the Select Committee had gone against precedent. Mr. B. Das also supports Mr. Thampan in his minute of dissent. He says:

"The Chairman ruled out in the Select Committee amendments to the textile protection part of the Bill which was moved by Mr. Thampan and which would have imposed certain compulsory obligations on the industry protected. The Assembly has long felt and insisted for some such provision in the Protection Bills whereby industries protected should discharge certain obligations to the State and the public at large by disclosing their cost of production, by producing statements when required or by conforming to system of licence if Government would so require. In 1931 on 28th January, Sir George Rainy moved a Resolution in the Assembly regarding Import Duties on galvanized iron and steel pipes, etc., seeking the sanction of the Assembly to approve protection up to 31st March, 1934."

Mr. Das continues:

"In fact this was recommended by the Tariff Board in paragraph 199 in their report on Cotton Textile Industry. The Select Committee on Sugar Protection Bill further insisted that the Governor General in Council should, as soon as possible, thereafter, give the Legislature an opportunity to consider his action whenever he exercised this power."

If the Commerce Member had taken some trouble in regard to one or two other matters, he would have helped us, laymen on this side, to decide our attitude. We on this side are agreed that the interests of the handloom industry should be protected, and that nothing should be done, either by raising or by lowering the duty which would in any way hamper the interests of the handloom industry. But we are not sure of facts. If we are convinced by the Government by facts that the handloom industry depends for its yarn more or less on the yarn produced by Indian mills, then our duty would be to support any amendment that will raise the import duty. If, on the other hand, facts are proved that the handloom industry depends for its yarn on the imported foreign yarn, then we should support any amendment that lowers the import duty. Our goal is accepted by all the Members

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on this side, but, Sir, when you will read this Report, you will find a group of Members had the advantage of going into the question in detail in the Select Committee—I shall read relevant portions to show that my Honourable friends, Mr. Raju, Mr. B. Das, Dr. Ziauddin Ahmad, hold that the handlooms in India depend for their yarn on the foreign yarn. That is their argument:

“The Tariff Board Report (page 37) says: ‘very little imported yarn is now used in the Indian mills. . . . most of the yarn which is now imported is used by the handloom industry’. As the Indian mill production of yarn of counts 40 and above is only 3·7, we desire to point out that there is no justification whatsoever to impose any import duty on counts of 40 and above while the existing duty having succeeded in protecting the interests of Indian Spinning Mills, regarding lower counts, we feel that further increase is unnecessary.”

This is the view of one group.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): May I refer my Honourable friend to Table LXVII, page 159 of the Report of the Tariff Board on the Cotton Textile Industry?

Mr. S. C. Mitra: I know that Mr. Thampan, Mr. Mody, Mr. Bagla, Mr. Mudaliar, Mr. Dudhoria, Mr. Scott, Mr. James, and Mr. S. C. Sen hold just the other view. They say in their dissentient note:

“Considering the large quantities of Indian mill made yarns available for sale, these increases could not possibly hurt the interests of the handloom weaver.”

The argument is very simple. If the handloom industry really depends largely on the yarn produced in India, then a high duty or better protection for Indian mills will give a less chance to Indian mills manufacturing low counts of cloth, and thus there will be less competition with the handloom weavers, while, if the handloom industry depends on foreign yarn, then the duty should be lowered to make it possible for the handlooms to produce manufactured cloth cheaper. When the goal is so certain and when we are all determined to help the handloom industry in India, why should not the Government be in a position, with the help of the Tariff Board or the Central Board of Revenue, to tell us definitely and positively what amount of yarn is necessary for the handloom weavers, and what percentage of it is imported yarn, and what percentage is from the Indian mills, so that, once for all, we can come to a definite conclusion on this issue. As regards artificial silk . . .

Dr. Ziauddin Ahmad: Don't call it silk.

Mr. S. C. Mitra: My Honourable friend, Dr. Ziauddin Ahmad, is not willing even to call it silk. He says:

“India at present is not spinning artificial silk yarn and the question of its protection does not arise. It is incorrect to assume that artificial silk competes with real silk. Persons who really wear silk would not dream of artificial silk.”

And still my Honourable friend insists that it should not be called silk. So far as I know, if I can show some samples of artificial silk, it will be difficult for even a connoisseur like my Honourable friend, Dr. Ziauddin, to differentiate between real silk and artificial silk. It is not only in dream, but in reality it is very difficult for an ordinary layman to differentiate between artificial silk and silk. I certainly support the argument of my

Honourable friend, Mr. S. C. Sen, that the Bengal silk industry deserves to be protected against this artificial silk which sometimes passes as real silk.

There is one other point which I should like to deal with. Mr. B. Das says:

"The country must recognise that the Agreement and the Pact both agree to Imperial Preference, though their difference is only in degree of preference, which means that all sections of commercial opinion in India have approved and blessed the Imperial Preference as the recognised feature in India's commercial relations with Britain."

Mr. B. Das: That is the unfortunate truth.

Mr. S. C. Mitra: My Honourable friend, Mr. B. Das, says that that is the unfortunate truth. I contend that, though the result is the same, the reasons for acceptance by the country of 50 per cent. duty on Japanese goods and a lower rate of duty on British goods—that does not in any way lead to the irresistible inference, as my Honourable friend, Mr. B. Das, thinks, that the Indian mercantile community, or, as a matter of fact, the Indian public have accepted Imperial Preference. I maintain that the question of Imperial Preference does not arise in this connection. Our textile industry required protection against the Japanese goods, because it was being beaten by the Japanese goods by unfair competition. It required protection against Japan and not so much against Lancashire. For that particular reason, it required a higher percentage of duty against Japanese goods, and, looking at the thing from the point of view of protecting our industry, if the Tariff Board or the Government decide that for protecting the Indian industry a certain percentage is necessary as against Japan, and a different percentage is necessary against other countries, and only superficially to satisfy the provision about the "most-favoured-nation" clause, it is necessary to put in a clause—I maintain that it does not lead to the inference that the Indian commercial community has accepted Imperial Preference as a principle. I think he misread the situation, and, by the suggestions of the Indian mercantile community and the public blessing the Indo-Japanese Pact, they do not commit themselves to that principle. With these few words, I support the motion.

Khan Bahadur Haji Wajihuddin (Cities of the United Provinces: Muhammadan Urban): Sir, the present Bill is the most important Bill that was ever discussed by this Assembly. The textile industry provides livelihood for about 12 million people, and it is the largest industry. India always enjoyed the reputation for fine weaving, *Dacca Malmal*, Benares *Sari*, Surat *Tussar* were known all the world over. The trade has now fallen, and we have before us complicated problems. We have to defend our mill industry against foreign import and protect our cottage industry against our own mills and against foreign import. We should see that our mills are well protected and we should also see that our cottage industries are protected against our own mills and foreign mills.

We have now given a quota to Japan, which, in my opinion, is too much. Once the quota is given, it is unnecessary to raise high tariff duty. The high tariff is necessary to stop the import; but when the quota of import is fixed, high tariff, to my mind, is unnecessary, and this

[Khan Bahadur Haji Wajihuddin.]

burden will fall entirely on the consumers. The consumers of India are very poor, and they will not be able to pay the high prices which would be a necessary result of the high taxation proposed in this Bill.

My esteemed friend, Dr. Ziauddin Ahmad, has pointed out in his speech that the people of India pay an invisible tax of four annas per rupee to support their relatives and friends who are unemployed. This invisible tax is not levied in any other country except India. In addition to this, I understand that the annual income of the people of India has diminished by at least 700 crores of rupees per annum. Considering, therefore, this invisible tax, the loss of income and high taxation, it is exceedingly difficult for the people of India to pay high prices for manufactured articles. I am, therefore, strongly of opinion that the taxation should be as low as possible. I should also like to point out that the additional taxation does not mean an increase in the income. In fact, the revenue will be diminished and the Government will have to compensate it by putting some excise duty on some other article. The sugar and matches have been unfortunate this year and the Finance Department and God alone know who will be in a similar unfortunate position next year.

Sir, the next thing I should like to point out is that the artificial silk is not really silk. It is used in India as cotton. It competes with cotton and not with silk, and, therefore, the duty on artificial silk should be the same as the duty for cotton.

Now, coming to the silk, I fail to understand why a high tariff is put on silk goods. Whom do we want to protect? I ask, whether there has been any demand from any Local Government. The Tariff Board report clearly says that the Local Governments take no interest and the whole taxation is levied for the benefit of Mysore and Kashmir States. Will the Honourable the Finance Member tell us why the people of British India pay for the development of an industry which is, to a large extent, monopolised by Indian States. Have the Indian States responded to our demand? Have they joined us in the salt duty? Have they joined us in the Indian sugar consumption or cotton? If these States have no sympathy for us, it is too much for the Honourable the Commerce Member to ask us to show sympathy for them, for reasons which he himself understands.

Now, I come to hosiery industry. In the first place, hosiery is not manufactured in this country on a large scale. It is a protection of the capitalists and not the protection of the people. I do not understand why the common people should now pay 50 per cent. more than they have been paying for their vests. Sir, I may be pardoned if I say that the Honourable the Commerce Member perhaps does not know that the common people in India are so poor that they cannot afford to have regular garments. A large number of people do not wear anything except a vest and a piece of cloth wrapped round their neck. If the prices of vests are increased, these people will have to give up the use of these vests, simply because they will not be able to afford purchasing them. Indeed, the protection of hosiery is unnecessary, uncalled for and unjust. Sir, it is a tax on the poor for the benefit of the rich. But the most surprising feature of the story is that the Government themselves proposed a duty

of nine annas a pound, but the manufacturers, who, I understand, form a majority in the Select Committee, raised the duty from nine annas to 12 annas per pound. I am further surprised that the Government without any inquiry accepted the proposal of the majority. I have always been under the impression that the Government fix the maximum amount of customs duty for revenue purposes and leave it to the Select Committee whether it cannot be reduced for the benefit of the consumers. In this case, for reasons not known to me at least, the position is reversed. I do not like to enter into the details, as we will have the opportunity to discuss it when the specific duties are taken into consideration.

The Honourable Sir Joseph Bhoré: Sir, I gather from the trend of the debate that there is no general desire to refuse consideration to this measure. Opportunity has, of course, been taken by certain Honourable Members and naturally to refer to certain general matters. Some of these certainly call for comment from me. Others, on the other hand, do not. Under this latter category, I would place the disquisitions on the theory and practice of protection which we have heard from Mr. Anklesaria and Dr. Ziauddin Ahmad. Now, Sir, their discourses may or may not have been illuminating. Far be it from me to pass judgment upon those discourses, but what I do say is this, that their discourses do not call for comment or criticism or explanation from me for the simple reason that this House, having remitted this Bill to a Select Committee, has committed itself to the principle of protection so far as it is embodied in this measure. The principle of protection embodied in this Bill is no longer, therefore, a subject open to criticism or comment at this stage.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): On a point of order, Sir. I understand your ruling was that the only thing that had been decided by this Bill being referred to the Select Committee was that cotton textiles required protection. On the contrary, when we asked that an opportunity should be given in the Select Committee to discuss the propriety and the advisability of entering into both the Japanese and the Lancashire Agreements, I remember—and I am speaking subject to correction—you ruled that they were open to discussion; that the only thing that the House committed itself to was that the cotton textile industry required protection; and that how much, and when, all that had not been decided.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair did not hear the Honourable Member saying anything to the contrary.

The Honourable Sir Joseph Bhoré: I said exactly what my Honourable friend is now saying.

Raja Bahadur G. Krishnamachariar: At any rate I heard my Honourable friend say that "the question of protection to the extent stated in the Bill" had been admitted.

The Honourable Sir Joseph Bhoré: No, no, I never said so

Raja Bahadur G. Krishnamachariar: Then, Sir, there is no point in any point of order.

Mr. N. N. Anklesaria: I think my Honourable friend is entirely mistaken. This House has already ruled—*vide* the debate of the 19th February, 1926—that in a motion like the one I have made, the principle as well as everything about the Bill is open to discussion and that this House, which decided on the principle before the Bill was committed to a Select Committee, can go back on that position and discuss the principle of the Bill again.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member wants a ruling and he shall have it. The Chair allowed considerable latitude when the Honourable Member was speaking this morning. Strictly speaking, a great part of his speech was absolutely irrelevant on this motion. There is a ruling already given. Speaking on the motion to consider the Select Committee Report on the Indian Coinage (Amendment) Bill, a Member proceeded to discuss the principle of the Bill and the Chair intervened and said:

"He is discussing the principle of the Bill, which has already been accepted by the House. The Application of the principle has been limited by the action of the Select Committee and it is only in respect of that limitation that any discussion is in order now."

That ruling has been given, and the Chair proposes to follow that ruling strictly. That ruling is No. 110 in the book of rulings, page 86.

Mr. N. N. Anklesaria: What is the date of the ruling?

Mr. President (The Honourable Sir Shanmukham Chetty): That has absolutely nothing to do with the point at issue.

Mr. N. N. Anklesaria: Mine is a later ruling.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair has been allowing considerable latitude to Honourable Members in the discussions on measures that have emerged from the Select Committee. Strictly speaking, according to the ruling, which is perfectly correct and which the Chair proposes to follow, when once a Bill has been referred to a Select Committee and comes back, the general principle underlying the Bill is not open for discussion. It is certainly open to the House, when the question is put, to reject the Bill; but that does not mean that the House can reopen the discussion on the principle of the Bill. When the question that the Bill be taken into consideration is put to the vote, it is open to the House to reject it, but that is a different thing from saying that the House has a right to discuss the whole principle of the Bill once again. The Chair hopes that the ruling is now clear, and it thinks adherence to this ruling will facilitate the discussions.

The Honourable Sir Joseph Bhoré: Sir, to resume, may I take this opportunity of pointing out to my Honourable friend, Mr. Das, that he was not quite right in his minute of dissent in describing this measure as a protection measure, so far as textiles were concerned, and a safeguarding measure, so far as the sericultural industry was concerned. It is, as a matter of fact, as much a protection measure in the case of the sericultural industry as it is a protection measure in the case of the textile industry, the only difference being that the amount of the protection in the case of

the sericultural industry has been calculated on a safeguarding basis. I hope I have cleared any misunderstanding that there might have been on that point. Sir, time is short, and I at any rate should set an example of economy in its expenditure. I will, therefore, postpone the bulk of the remarks that I have to make until the amendments come up for discussion. If, therefore, my Honourable friend, Mr. Mitra, finds that I do not take up at once the question that he has propounded to me in respect of yarn, I hope he will realise that I shall take an opportunity of replying more fully to it when we consider the amendment dealing with that particular matter.

Sir, Mr. Ghuznavi is a past master in the art of making reckless charges, and he has certainly proved himself one in this particular instance. I shall substantiate that statement more in detail when we come to the question of hosiery, but for the moment let me illustrate what I have said by reference to a single instance, namely, the case of the duty on raw silk. My Honourable friend suggested that in agreeing to raise the duty on raw silk, we did not know our own mind and we did not know the facts of the case. That, Sir, is entirely inaccurate, and it is a matter of some astonishment that my Honourable friend, knowing the facts of the case, should have levelled that charge. What were the facts of the case? The House is perfectly aware of the principle upon which we fixed the duty on raw silk. When the question was considered in Select Committee, it was pointed out that we had based the measure of protection on the prices prevailing from July to September, 1933. It was contended by Honourable Members that it was fairer for us to take a period nearer to the present time in calculating the quantum of protection. After discussing this matter, we agreed to take the prices prevailing in the three months December, 1933, and January and February, 1934. On the basis of the prices prevailing in those months, we raised the duty from $11\frac{1}{2}$ annas to 14 annas. Does that justify the charge that has been levelled against us by Mr. Ghuznavi—that we did not know our own mind and that we were not acquainted with the facts of the case?

I take also equal exception to the criticism which has emanated from my Honourable friend, Dr. Ziauddin Ahmad, which he has given vent to in his minute of dissent—I mean, one of his minutes of dissent (Laughter) and which he has repeated on the floor of the House today. What he says is this:

"I also apprehend that the quota which Japan has got in the purchase of cotton will seriously affect the price level of cotton. Japan in future will control the price of the cotton market in India and the appreciation in the price level of cotton will be out of the question. This will very much handicap the agriculturists who are not getting at present the economic price for their cotton."

Sir, if my Honourable friend had taken the trouble to ascertain the elementary facts of the case, I do not think he would have indulged in criticism which certainly does nothing to enhance his reputation. Let me point out to him what those elementary facts are. Those elementary facts are that for a very long number of years, certainly for more than ten years, Japan has been buying in this country more than one and a half million bales of cotton every year. In certain years her purchases went up to the figure of nearly two million bales. If, therefore, her purchase of $1\frac{1}{2}$ million bales is going in the future

[Sir Joseph Bhore.]

to enable her to control the Indian market, then it is exactly what her purchases in the past for many years have enabled her to do. There is absolutely no change whatsoever in the position so far as that is concerned.

Then, Sir, another point was made. That is in regard to the control of freight space by Japan. Here also Honourable Members must realise that this control has been in existence for many years past. I should not care to say exactly how many years, but certainly for more than 20 years. It is absolutely nothing new. But when it was brought to our notice that the control of freight space was being used to the detriment of the Indian shipper,—and I think it was my Honourable friend, Sir Cowasji Jehangir, in his speech on the motion to refer this Bill to a Select Committee who drew attention to this fact—I say when our attention was drawn to this fact, we made a representation and we have received assurances that from this month the normal practice will prevail.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): That is not correct.

The Honourable Sir Joseph Bhore: If my Honourable friend will substantiate his statement that the normal practice is not prevailing, I shall be happy to go further into the matter.

Mr. H. P. Mody: I shall.

The Honourable Sir Joseph Bhore: Then, my Honourable friend, Mr. Mitra, pointed out that the evidence taken by the Tariff Board had not been published. That is a perfectly fair and legitimate complaint to make, but I must bring to his notice and to the notice of the House that this evidence is in the hands of the Tariff Board. It is not in our custody. The printing up of the evidence is a matter for the Tariff Board itself. While I entirely agree that there should not have been this long delay in the printing up of that evidence, I must ask him and the House to absolve us of being responsible for the delay. As a matter of fact, however, I would bring to his notice that so far as I remember, in the case of three industries, at any rate, this House has given protection long before the evidence upon which the Tariff Board founded its recommendations was printed and published.

Now, Sir, I need hardly say very much in regard to the motion for circulation beyond stating that I must, of course, oppose it. The Mover, I am sure, has failed even to convince himself of the justification for his motion. The Bill has been before the public since the 5th of February, and there has not, so far as I am aware, been any demand from any responsible section of the public outside this House for further time to consider this Bill. There are obviously very strong reasons against delay in this matter. Protection to the industry will expire at the end of this month and the loss of this protection even for a few months will be disastrous so far as the industry is concerned and will certainly have a very damaging effect upon public revenues.

Mr. N. N. Anklesaria: Could not the period be extended?

The Honourable Sir Joseph Bhoré: The allegation that the changes made in this Bill in the direction of increasing taxation are such as to call for circulation will not, I submit, stand serious examination. I have already referred to the case of raw silk. I have already given the reasons why we found it necessary to increase the specific duties from 11½ annas to 14 annas. Take, again, the case of silk piecegoods. It is perfectly true that our proposals have resulted in an increase of duties on certain kinds of silk fabrics; but, on the other hand, equally our rates of duties have resulted in putting down very considerably—in some cases by 100 per cent., or even more—duties on other kinds of silk cloth. Cotton hosiery, a subject which always seems to generate heat in this Assembly, I shall leave for the present, because I have no doubt that the matter will be gone into very carefully and very completely when the time comes to consider the amendments dealing with that subject.

I have only to say one thing more. I am sorry that my Honourable friend, Dr. Ziauddin Ahmad, found it necessary to reflect upon the attitude of the Bengal Government in regard to the sericultural industry.

Dr. Ziauddin Ahmad: I was only quoting from the Tariff Board report. I myself have no first hand information.

The Honourable Sir Joseph Bhoré: I am authorised to say that there is no justification for the suggestion that the Bengal Government did not help adequately the investigations of the Tariff Board. I would also suggest that the appropriate forum for any charges against the Government of Bengal is the Bengal Council where those against whom those charges are levelled may be in a position to answer them. I have in my possession information which shows that for many years past now the Bengal Government have been spending something like 2½ lakhs of rupees a year on the sericultural industry in that Province. Having regard, Sir, to the financial condition of that Province, I think we must admit that that measure of assistance is very generous indeed.

I have nothing further to say at this stage. I move my motion and will refrain from saying anything in regard to details until the amendments are moved.

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): Sir, I have been reading a good deal about the manner in which protection is given to the textile industry in British India. I have been trying to understand as to whether the principle of protection to which we have agreed is going to injure any other interests in our country. I do not say that the industrialists should not be protected, but let them not be protected at the expense of the consumers' interests. Recently I have been trying to find out as to what extent the interests of the consumers are in the mind of those who are in authority over this question. I have no doubt that the industrialists, who are very well organised, because they have their Chambers of Commerce and the Federated Chambers of Commerce, and so on, and so forth, are going to affect very seriously the interests of the consumers. Therefore, I thought it fit to raise my voice against the manner in which this protection is being given, and I am very thankful to you, Sir, for allowing me to take a few minutes out of the valuable time of the House. What I find is this.

[Maulvi Muhammad Shafee Daoodi.]

I understand that the Bill had been to the Select Committee and now it has come back from the Select Committee; we should, therefore, now confine ourselves to the changes that have been made by the Select Committee. But when I learn that the Select Committee has raised the taxes on certain articles over and above what the Tariff Board recommended, then certainly my suspicions grew much stronger and I felt that in the interests of the consumers I must study this question, and since then, I frankly admit that I have taken up this matter seriously. It appears to me that the Select Committee have gone beyond the recommendation of the Tariff Board, and, for that reason alone, I think the matter should now be circulated for eliciting public opinion

The Honourable Sir Joseph Bhore: In what case has the Select Committee gone beyond the recommendation of the Tariff Board?

Maulvi Muhammad Shafee Daoodi: Item 158 (O), the old Bill says nine annas per pound whichever is higher, while here I find it is 12 annas per pound whichever is higher.

The Honourable Sir Joseph Bhore: Did the Tariff Board make that recommendation?

Maulvi Muhammad Shafee Daoodi: It will be found in the Report.

The Honourable Sir Joseph Bhore: Where?

Maulvi Muhammad Shafee Daoodi: In the very beginning, I said that I did not study this question very seriously before. I thought we have agreed to protection, and it was quite enough for me, and I thought those people, who were in the know would carry it out to its logical conclusion. But I find that the interests of the consumers are being sacrificed for the sake of the industrialists, and that is the reason why I have risen, and for no other purpose. I would like to tell the Members on the Treasury Benches that the consumers are by no means organised and they have no voice whatsoever. Even here, although lots of us do represent the rural population, we have not wisdom enough to combine together and form a strong rural party in order to defend their interests. For that reason the Honourable the Commerce Member told us just now that there was no voice here in the country against this measure. I ask, who could raise the voice when the rural population was not organised? It is we alone who represent the consumers and the rural population that could raise the voice. They have got no organisation outside the Assembly. The Honourable the Commerce Member should have thought twice before attacking us by saying that there has been no pronounced opinion in the country for sending this Bill back for eliciting public opinion. I submit, this is a fit case for sending the Bill back for eliciting public opinion when we have got suspicions of that nature in our mind that the organisation of the industrialists is taking advantage of the disorganised position of the consumers in the country. I hope that all those who represent the interests of the consumers, namely, the rural population, will stand as one in this matter and try to send back the Bill to the public and see what the result of the circulation is.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Will my Honourable friend inform me what were the reasons for increasing the rate of duty on hosiery from nine annas to twelve annas, contrary to the recommendation of the Tariff Board?

The Honourable Sir Joseph Bhoré: My Honourable friend will have a full reply when we come to deal with that question.

Mr. M. Maswood Ahmad: I want a reply just now, so that I may make up my mind as to how to vote on this motion for circulation.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That the Bill, as reported by the Select Committee, be circulated for the purpose of eliciting opinion thereon by the 30th June, 1934."

The Assembly divided:

AYES—7.

Anklesaria, Mr. N. N.

Ghuznavi, Mr. A. H.

Krishnamachariar, Raja Bahadur G.

Maswood Ahmad, Mr. M.

Roy, Rai Bahadur Sukhraj.

Shafée Daoodi, Maulvi Muhammad.

Ziauddin Ahmad, Dr.

NOES—51.

Abdul Aziz, Khan Bahadur Mian.

Ahmad Nawaz Khan, Major Nawab.

Allah Baksh Khan Tiwana, Khan Bahadur Malik.

Bajpai, Mr. G. S.

Bhoré, The Honourable Sir Joseph

Chatarji, Mr. J. M.

Cox, Mr. A. R.

Dalal, Dr. R. D.

Darwin, Mr. J. H.

DeSouza, D. F. X.

Dillon, Mr. W.

Graham, Sir Lancelot.

Grantham, Mr. S. G.

Haig, The Honourable Sir Harry.

Hardy, Mr. G. S.

Hezlett, Mr. J.

Hudson, Sir Leslie.

Irwin, Mr. C. J.

Ishwarsingji, Nawab Naharsingji

Jadhav, Mr. B. V.

James, Mr. F. E.

Jehangir, Sir Cowasji.

Joshi, Mr. N. M.

Lal Chand. Hony. Captain Rao

Bahadur Chaudhri.

Lindsay, Sir Darcy.

Macmillan, Mr. A. M.

Metcalfe, Mr. H. A. F.

Millar, Mr. E. S.

Mitter, The Honourable Sir Brojendra.

Mody, Mr. H. P.

Morgan, Mr. G.

Mujumdar, Sardar G. N.

Mukharji, Mr. D. N.

Mukherjee, Rai Bahadur S. C.

Noyce, The Honourable Sir Frank.

Pandit, Rao Bahadur S. R.

Parma Nand, Bhai.

Rafuiddin Ahmad, Khan Bahadur Maulvi.

Rajah, Rao Bahadur M. C.

Ramakrishna, Mr. V.

Ranga Iyer, Mr. C. S.

Rau, Mr. P. R.

Sarma, Mr. G. K. S.

Schuster, The Honourable Sir George.

Scott, Mr. J. Ramsay.

Sher Muhammad Khan Gakhar, Captain.

Singh, Mr. Gaya Prasad.

Singh, Mr. Pradyumna Prashad.

Sloan, Mr. T.

Tottenham, Mr. G. R. F.

Varma, Mr. S. P.

The motion was negatived.

Dr. Ziauddin Ahmad: Sir, on a point of order. Can an Honourable gentleman, who has himself given notice of this amendment, vote against it, without saying on the floor of the House that his signature was obtained by threat or undue influence or that he was convinced by the arguments on the opposite side?

Mr. President (The Honourable Sir Shanmukham Chetty): That only shows that Honourable Members do not come with pre-conceived notions and that they are convinced by arguments. (Laughter.)

The question is:

"That the Bill further to amend the Indian Tariff Act, 1894, for certain purposes (Textile Protection), as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): Now, the Schedule will be taken up first.

The question is:

"That the Schedule to this Bill stand part of the Bill."

Dr. Ziauddin Ahmad: Sir, I beg to move:

"That in the Schedule to the Bill, the proposed Amendment No. 4 be omitted."

Amendment No. 4 is to levy a duty of 15 per cent on starch and farina. These are two things which are being used as a primary commodity in the manufacture of cloth by cottage industry and by handloom weavers. I think it is desirable that we ought not to raise the prices of the primary commodities used by handloom weavers.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

This article has so far been imported free of duty. But now a duty is being imposed, and I am strongly of opinion that we ought not to increase the cost of production of the cloth made by handloom weavers. This is a small item, and though the price will be affected by a very small amount, still every pie is important in manufacture, and any attempt to raise the price of any commodity used by these men, and in this stage of depression, is not justifiable. It may have been justifiable in 1932, when the Tariff Board reported, because the depression was not very acute at that time and the competition was not so strong at that time as at present. I, therefore, propose that we should not raise the duty on this particular commodity by 15 per cent., which did not exist before. Sir, I move.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That in the Schedule to the Bill, the proposed Amendment No. 4 be omitted."

Mr. G. Morgan (Bengal: European): Sir, I rise to oppose this amendment. This case has been gone into very fully indeed, and the people concerned with the indigenous material gave evidence before the Tariff Board and the Tariff Board decided on the evidence before them that the industry was entitled to a certain amount of duty being put on the imported article. The flour mills have had considerable competition, and, as the House is aware, they have been shut out from import by the duty

on foreign wheat, which is an excessive duty. So far as I have been able to discover, no case was put up against this 15 per cent. import duty while negotiations were going on and while the Tariff Board were investigating the case. From the Report that we hold in our hands, I think a case has decidedly been made out for the imposition of this import duty. Some of us think that the import duty is not high enough. We suggested 25 per cent., and that was put before the Select Committee, but the Select Committee decided that the Tariff Board proposals should be accepted. I, therefore, oppose the amendment.

Mr. H. P. Mody: Sir, in supporting this amendment, I should like to say a very few words. Starch and farina against which it is sought to impose a duty of 15 per cent. do not enter into competition, in my opinion, with any Indian product. If they did, I would certainly be the last man to oppose any sort of assistance being given to an Indian industry. I have always been active in pressing the claims of smaller industries for protection even against the interests of the textile industry, and I could quote as an example the part I played in securing protection for the magnesium chloride industry. I would equally press for protection to other industries. But, in this particular case, my submission is that the sort of starch which is produced by the local industry is not affected by the imported product. The imported product is of an entirely different character, and it goes into the composition of the finer classes of cloth, and the prices also are not competitive. For these reasons, I support the amendment.

The Honourable Sir Joseph Bore: Sir, I oppose the amendment, and I am sorry to see that my Honourable friend, Dr. Ziauddin Ahmad, is so opposed to the agriculturist. This is one of the few cases in which we may take it that the agriculturist stands to benefit. The explanation given by the Tariff Board is, I think, perfectly clear on this point. What they say is:

"The Calcutta Flour Mills Association have drawn our attention to the fact that the import duty on wheat, Rs. 2 per cwt., places Indian flour mills who produce wheaten starch in a position of unfair disadvantage as compared with foreign exporters of starch to India, imported starch being at present free of duty."

In these circumstances, I am afraid that I must oppose the motion. I hope my Honourable friend will not press it.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is:

"That in the Schedule to the Bill, the proposed Amendment No. 4 be omitted."

The motion was negatived.

Mr. K. P. Thampan: Sir, before moving my amendments, I must say that my amendments with regard to the various items in the Schedule will in effect increase the revenues of the country and as such require the sanction of the Governor General. Though I applied in time for the sanction, I regret I have not been able to get it yet.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The Chair would like to know whether the Honourable Member has obtained the sanction for his amendment.

Mr. K. P. Thampan: No, Sir: I have not got it.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Then he is out of order.

Dr. Ziauddin Ahmad: Sir, I move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158 (ii) (a), the words and figures 'or 1½ annas per pound, whichever is higher' be omitted."

This is a question of removing a specific duty on yarn. When the Honourable the Commerce Member was making his speech, he said that I did not know even the elementary facts. It reminded me of the way in which Professor Hilbert used to explain his mathematical problems. Whenever any student went to him to get a problem explained, he would say "It is quite clear: this is this, and, therefore, the conclusion is all right". So, whatever is clear to him, unfortunately is not clear to everybody else. He said very clearly today that he was having certain communications with the Japanese Delegation on this point and probably the question is being settled, and if any other difficulty arises, he would attend to it

The Honourable Sir Joseph Bore: My Honourable friend has entirely misunderstood me as usual. All I was referring to was the question of the control of freight space, not any question of control of prices of Indian cotton to which he referred in his minute of dissent.

Dr. Ziauddin Ahmad: I did not enter into that question in detail, because the control of freight will also control prices to a very large extent. But, at any rate, this fact is not quite as clear and is not an elementary proposition as my friend pointed out in this connection.

Coming to the question of yarn, I said at the beginning that I moved this motion with great diffidence and doubt, because I have
 4 P.M. not settled in my own mind what is the correct attitude which we ought to take in the interests of all, and I do not think the Government are in a position to give us a satisfactory solution. This was inquired into partially by the Tariff Board, but their recommendations, as we read them, did not consider every aspect of the question. I said that yarn was a primary commodity for the handloom weavers and all the imported yarn was used almost exclusively by handloom weavers, and, therefore, it was very desirable that there should be no duty at all, so that we should lower the cost of production of the handloom weavers. On the other hand, we notice from the same figures that a very large quantity is supplied by our spinning mills to handloom weavers, and, therefore, in the interests of the handloom weavers themselves, we cannot allow spinning mills to die out. Therefore, we have to protect them to a certain extent and we also desire to lower the prices of yarn. The other difficulty which arises is the competition between the mills and the cottage industry. If you make the price of yarn more expensive and the handloom weavers purchase them from spinning mills, they pay really for the rolling, for the freight and all the other charges and they pay much higher prices than the weaving mills will pay. The weaving mills are

mostly spinning mills also; they make their own yarn, and afterwards they simply transfer them mechanically from one place to another. As I said, the handloom weavers will have to pay the price of rolling, the price of freight, etc. Therefore, the handloom weavers will be placed in a disadvantageous position as compared with the mills in this country; and, of course, the mills have got certain advantages over handloom weavers on account of their cheap labour, because, what a machine can do, the hands can never do at the same price. It costs more, and now the cost of yarn will also be more. Consequently, we have really to find out a position of equilibrium in which on one side we safeguard the interests of the cottage industry, we safeguard the interests of the spinning mills, and, above all, we should not place the cottage industry or handloom weavers in a position of disadvantage compared with the mill industry. These are the two very important points on which we must have some kind of solution. I regret that whatever I have read in this connection in the Tariff Board Report is not convincing. They have not studied the question as thoroughly as the circumstances demanded, and I hope and request that the Government would soon appoint some person, may be a Tariff Board or a special officer, to study this question.

As regards the increased protection, I notice that, with the present amount of protection and the duty that we have imposed, the spinning mills are making good progress. On page 37 of the Tariff Board Report, Table 38, it is pointed out that the Indian production is gradually increasing. In the year 1932-33, it rose to 1,016 million pounds. Even with the present duty, they can manage and they can go on increasing their entire production . . .

Mr. G. Morgan: May I ask, if the Honourable Member is referring to spinning mills or spinning and weaving mills?

Dr. Ziauddin Ahmad: The weaving mills spin and use their own yarn. I am talking of the spinning mills, whether they exist as separate concerns, or as part of the weaving mills, but I am not dealing with the weaving machine now. As I was saying, we have to find out some position of equilibrium so as not to place our cottage industry in a disadvantageous position. The handloom weavers are already suffering a great deal on account of this duty, and it is not desirable that we should allow them to increase their cost of manufacture. These handloom weavers have to compete with Japanese cloth, they have to compete with our own mills, and they are now almost on the verge of extinction. Therefore, Sir, unless we take special measures to safeguard them and to help them to reduce the cost of production, they will be completely wiped out of existence. Sir, we see from experience, when going about our constituencies, that the general condition of these handloom weavers is really very bad. They are not able to make the two ends meet. The cost of production is much more than the price which they can fetch in the market for their articles, and, therefore, we must try our level best to diminish their cost of production, and to lower the prices of articles which these people require, and, as was previously suggested, we should also try to organise some kind of co-operative methods by means of which the profits of the middlemen may be avoided. This is really a very important proposition, and we should, therefore, try and find out some solution for the difficulty. The spinning mills are getting on well under the existing duties.

[Dr. Ziauddin Ahmad.]

It is not necessary to increase the duties in this case, but if unfortunately Government decide to increase this duty and tax the handloom weavers, then it will be very desirable that we should tax the Indian mills to the same extent by levying some kind of excise duty, so that they may be placed in the same position as the handloom weavers. But if you adopt an expedient which will secure to the mills an additional advantage over the handloom weavers, it will not be to the advantage of the country; it may be to the advantage of a few manufacturers, but it will not be to the advantage of the people as a whole.

Sir, I emphasised some time ago, and I emphasise it again, that this is a proposition to which the Government should give serious attention. They should investigate the matter and find out a just solution by means of which the interests of all these three different parties may be safeguarded, that is to say, the mill industry, the weaving industry and the handloom weaving industry. Some people suggested by way of a joke that we should try to make more yarn by means of our hands, and the person who made this suggestion went so far as to say that we ought to provide some *Charkas* in the Lobbies, so that those Members, who find it rather inconvenient or difficult to sit in the Chamber the whole day and attend to the debate, may have something to do in the Lobby and go on weaving. If this suggestion is accepted, probably a few of these *Charkas* can also be usefully provided to nominated Members who come from the Provinces, because they have got absolutely nothing to do, and this is really one of the best ways of spending their time. I know that in one case the wife of one of the Members suggested that if some of us found our time hanging heavily on us and did not know what to do, this was the best way of spending our time. The suggestion was made by way of a joke, but I think it really has some value and is worth serious consideration.

Sir, before I sit down, I once again emphasise that the Government should realise the importance of this problem, and they should thoroughly investigate it in the interest of the handloom weavers and also in the interest of the spinning mills. With these words, I move the amendment.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158 (ii) (a), the words and figures 'or 1½ annas per pound, whichever is higher' be omitted."

Mr. M. Maswood Ahmad: Sir, there is not the least doubt that this duty greatly affects the poor handloom weavers. Really I should like to know what is the object of Government in introducing this duty unless they want to kill this industry. The attempt that is sought to be made to feed the millowners at the cost of the poor handloom weavers is not at all a sound proposition; it is rather a cruelty, because the poor handloom weavers in these days are already in a very difficult position. Nobody can deny it.

If you will refer to the amendment, you will find that the Government have proposed that the duty on yarn on counts of 50's and below of British manufacture should be levied at the rate of five per cent or 1½ annas

per pound, whichever is higher. Sir, this measure is not for revenue purposes alone; rather it has been stated by Government on several occasions that this is a protective measure, and we must, therefore, examine it and see whether this particular item required at any time before or it requires now any kind of protection or not. If you will refer to the Tariff Board Report, you will find this is what they say at page 159:

"We are given to understand that the hand weaver uses no imported yarn of counts below 30's and that practically all the imported yarn of counts above 30's must be used by the handloom industry. In this case the hand weaver must use about 30 out of the 31 million lbs. of yarn imported; and the proportions of his total consumption will be as follows:"

In this connection, they have given a Schedule in which they state that the handspun yarn used comes to 24 million pounds, the mill yarn used amounts to 311 million pounds, and imported yarn used amounts to 30 million pounds. It will be observed, Sir, that a much larger quantity of mill spun yarn is being used by our handloom weavers, and there is practically no competition with foreign yarn in this country. Had there been any great competition, the natural result would have been that a large quantity of foreign yarn would have been used by the handloom weavers. But, Sir, the imported yarn which is used is only 8·2 per cent while, 85·2 per cent of the mill spun yarn has been used by the handloom weavers. Further, you will find that Government have proposed this 1½ anna specific duty for counts below 50's, and, if you will examine the different kinds of counts used by handloom weavers, you will find the result as follows:

Counts.	Percentage of total production.
10's	15·1
12's	6·0
16's	49·2
20's	23·0
32's	4·3
40's	2·2
Higher counts	0·2

When we consider the case of counts 50's and above, we find the percentage practically nil, or, at most 0·1 per cent.

If that is the case, you will find that the specific duty is really for 99·9 per cent of yarn used by the handloom weavers, and when Government say "cotton twist and yarn, and cotton sewing or darning thread of counts above 50's" it is all useless, because, only 1 per cent of the yarn above 50's is used by the handloom weavers. If you read what the Tariff Board itself says about this competition:

"In regard to counts 24s and below there is hardly any competition between Indian Mill yarn and imported yarn. In counts 30s and 32s the bulk of the yarn used by the handloom industry is obtained from the Indian mills; but a certain amount of Japanese yarn is preferred on account of its quality. . . ."

[Mr. M. Maswood Ahmad.]

You will find that these counts which are used, though it is of a very small quantity, are not used because the prices are cheaper, but, as the Tariff Board has itself admitted, by reason of its quality:

".....even though the price is apt to be slightly higher than that of Indian yarn."

Between 30's and 32's you will find that the price of the foreign yarn is already high, and the price of those below 24's is very high for the imported yarn:

"In counts of 40s and above there is very keen competition between the Indian mills and English and Japanese imports. Indian prices are generally so regulated as to be slightly lower than the prices of Japanese yarn."

When the price of the Indian mill yarn is cheaper, when the handloom industry is using a large quantity, about 85 per cent of the Indian mill spun yarn, what is the use of protecting this particular item? If Government will stop this small quantity of imported yarn by means of this specific duty, what will be the result? The result will be that the Indian millowners, who, in spite of having so much money, want more money, because it has been seen that those who have got sufficient wealth are eager to have more wealth, will naturally increase the price of the yarn which is required by the handloom weavers. Sir, the price of imported yarn will go up by means of this specific duty, and when the price of the imported yarn goes up, naturally the prices of the Indian mill spun yarn will be raised by the millowners. They will be fed no doubt, but at whose cost? They will be fed at the cost of the handloom weavers, and, further, at the cost of the consumers, because, when these handloom weavers will not be able to get their yarn at a cheaper rate, they will certainly raise the price of their cloth. Sir, by this measure the handloom weavers will suffer and the consumers will suffer. Further, in this case, where is the ground for protection, what is the need for protection when there is absolutely no competition with the foreign market? So, whatever conclusion the Government might have reached in the matter, there is absolutely no justification for recommending any protection or any specific duty in this way, because the Tariff Board themselves say that there is absolutely no competition for yarn up to 24's. There is a bit of competition between 24's and 40's, but that is not because of prices, but because of quality. If that quality is not produced in India and, it is not easy for the handloom weavers to use the inferior quality above counts 30's, because they are not skilled labourers, they learn the thing at their homes, and they generally require a better quality of yarn, and for that reason they use a very small quantity of imported yarn above counts of 30's. So, in my opinion, this is a very just amendment, and Government must consider this point when there is no need for protection. They should not place an extra burden on the handloom weavers when they are already under a great burden. I do not want to go in detail into that question which the Tariff Board has dealt with in this Chapter about the handloom weaver's troubles.

Mr. G. Morgan: I do not quite follow my Honourable friend, Mr. Maswood Ahmad's case. The Bill provides, as I understand it, for a reduction of the present duties for counts above 50's, and, in the item under discussion, there is a reduction from $1\frac{1}{2}$ annas to $1\frac{1}{4}$ annas on

counts 50's and below of British manufacture. So that I cannot see how a case can be put up for the handloom industry that they are suffering an injustice under this particular Bill. I shall be merely accused of pleading the cause of the capitalists which is my unfortunate role in this House, but I should like to point out that the indigenous spinning industry is at the present moment in a very bad state indeed. As far as the spinning mills on my side—I come from Bengal—are concerned, there is one mill completely closed

Mr. A. H. Ghuznavi: What is the name of that mill?

Mr. G. Morgan: Another has shut down all spindles ordinarily run for bundling the yarn, and a third one is on short time with a steadily increasing stock of yarn. This is more or less the position of all spinning mills.

My Honourable friend's contention is that the interests of the handloom industry and the indigenous yarn spinning industry may be regarded as being opposed. But, I think, if you examine the position a little more closely, you will find that their interests are by no means opposed. It is contended, and correctly, that any import duty imposed for assisting the spinning industry reacts unfavourably on the handloom industry by raising the cost of yarn to the handloom weaver. Under this Bill, there is no question of raising what they are paying at present, and, as far as I know, the handloom industry is not doing at all badly. On the other hand, if the indigenous spinning industry is not sufficiently protected, ultimately it will be extinguished. There can be no doubt about it at all, that unless the spinning industry is sufficiently protected—of course, under this Bill, in our opinion, it is not sufficiently protected, I merely enter that as a protest,—there is no doubt that these purely spinning mills will have to cease to exist. Their only alternative would be to go over to weaving which means investment of considerably more capital, and it is doubtful whether they would be able to use all the spindles which are at present in existence. But if they go over to weaving and the handloom industry in India is deprived of that supply of bundled yarn, then the handloom industry must depend on the import of foreign yarn, and ultimately it will be entirely in the hands of China and Japan, particularly China. China is now the largest importer of yarn. The question is, would it not be preferable to keep alive the indigenous spinning industry which is a big industry in Southern India and Bengal, and part of the Bombay and Ahmedabad Mills, to keep that alive at a small cost with a very large protection to the cloth of the handloom weaver in conjunction with the Ahmedabad and Bombay weaving mills under this Act, would it not be preferable to keep alive the mills which at present are spinning bundled yarn for the use of the handloom industry? Would it not be preferable to keep those mills in existence? We hold that, with the death of the indigenous mills in this country, the handloom industry will put itself entirely into the hands of foreign imported yarn. I do not think myself that that is at all a satisfactory position to be in. The actual result of the death of the spinning and sale of bundled yarn would be that these mills, if they could get the extra capital, would have to enter into competition with woven material which is not to the benefit of the handloom weaver. From the figures that we have got, there is no doubt that there is a very intensive and unfair competition from China and Japan in this yarn and China seems to be getting almost the entire control of the import

[Mr. G. Morgan.]

trade in that class of yarn. I do not think any case has been made out by my Honourable friend, Mr. Maswood Ahmad, because as I said, under the Bill relief is given to a certain extent. I, therefore, oppose the amendment.

Mr. A. H. Ghuznavi: I have always opposed high tariff on yarns, because that affects and must affect the handloom industry. In 1927, five per cent. duty was imposed on Japanese yarn and I opposed it, because it affected the handloom industry. Most of the handloom weavers in Bengal use counts 50's and below, and, therefore, any high tariff on this count will affect the handloom industry in Bengal. My friend, Mr. Morgan, just pointed out that one of the spinning mills in Calcutta has closed. I understood that protection is to be given only to infant industries and not to mills which have long been established. I do not know if it belongs to the New Ring, but even if it does, the new ring must have been in existence for over 20 years, and, therefore, surely they need no protection by high tariffs. Again, the same question of inefficiency arises. If, in 20 years, they cannot compete with foreign yarns, I can only say that they should not exist. I, therefore, support the amendment.

An Honourable Member: Is there a quorum, Sir?

(The Bell was rung for a minute, and Honourable Members came in.)

Maulvi Muhammad Shafee Daoodi: I rise to support the amendment moved by Dr. Ziauddin Ahmad, but, while supporting his amendment, I want to draw the attention of the House to a different point altogether. I have been comparing the duties as they existed and the duties that have been proposed by the Tariff Board and the duty as has been recommended in the Bill itself, which is under discussion.

Now, here is an instance which I would place before the Honourable Member for his explanation. There might be some mistake on my part in understanding it. The position is this. This item of the present Bill 158 (i) (a) counts 50's of British manufacture which we are discussing is in Statutory Schedule 44. These two are identical. It is difficult for a layman to lay his finger exactly on these points, but I believe that 44 is the right number in the Report of the Indian Tariff Board regarding the grant of protection to the cotton textile industry. Now, here on page 198 in the Schedule, we find that the duty proposed by them is one anna per pound or the *ad valorem* rate of revenue, whichever is higher. What is proposed in the Bill is not one anna, but something higher than that. It is $1\frac{1}{2}$ annas per pound whichever is higher. This is an instance in which I find that the recommendation of the Tariff Board has been exceeded by one-fourth of an anna. Of course, I do not find any explanation of this increase in the duty either in the speech of the Honourable the Commerce Member or anywhere in the Report itself. Such instances I could point out in many places in the course of the debate, but here is one in which I say it has gone against the Tariff Board report and it is not to the advantage of the consumers or the handloom weavers. Therefore, I support this amendment.

The Honourable Sir Joseph Bhore: Sir, this is an article in regard to which there is a certain difference of opinion. In the Select Committee, some Members were in favour of reducing the duty; others were in favour of increasing it, and, with your permission, Sir, I would like to set out the position of the Government in the matter.

Now, let us deal first with counts above 50's. I would like to point out that the Indian production of yarns of counts above 40's constitutes only about 3·7 per cent of the total production of Indian yarn. Therefore, the production of counts above 50's must be infinitesimal. We have, therefore, come to the conclusion that as all these imported finer counts are almost entirely used by the handloom weaver, there can be no justification for putting a higher duty on these finer counts of yarn than that proposed in the Bill. Therefore, in respect of counts above 50's, we have accepted the recommendation of the Tariff Board and we are reducing the duties to the *ad valorem* rates of 5 and 6½ per cent.

Now, let us take the case of yarns of 50's and below. Here I would like to deal, as I promised my friend, Mr. Mitra, that I would, as comprehensively as I can with this subject, and with the demand of the industry here for a larger measure of protection than we are giving. Now, what have we done in respect of these counts? Actually, Sir, we have reduced the duty in respect of British yarns from 1½ annas to 1¼ annas. That has been done in pursuance of the agreement entered into between the Mill-owners' Association, Bombay, and Lancashire.

Maulvi Muhammad Shafee Daoodi: It is only 1½ annas—not 1¼ annas—so it appears?

The Honourable Sir Joseph Bhore: We have reduced from 1½ annas, the existing rate, to 1¼ annas in respect of British yarns.

Maulvi Muhammad Shafee Daoodi: The existing rate seems to be 1½ annas per pound, or whichever is higher?

The Honourable Sir Joseph Bhore: My friend has overlooked the surcharge which brings it up to 1½ annas.

Now, Sir, our reason for not acquiescing in the demand for increasing the duty are two. In the first place, we contend that the industry did not make out any case for enhancement of the existing rate. It had the fullest opportunity to do so. The Tariff Board issued its questionnaire, and if the industry failed to place its case before it, it cannot now come to us and ask us to do the whole work of the Tariff Board over again. Then, our second reason is that we are, in respect of foreign yarns, justified in continuing the present rate of duty.

Now, what has been the effect of the present rate of duty so far as the spinning industry of the country is concerned? The effect, Sir, has been this. Firstly, there has been an almost steady decline in foreign imports of yarn, except for one year when there was a very large influx due to the heavy depreciation of the yen. After that, the imports have begun to go down again. Secondly, the home production has steadily increased and the yarn available from this source for the handloom weavers has grown from 324 million pounds in 1926-27 to 420 million in 1932-33. We, therefore, hold, Sir, that there is really no case for increasing the

[Sir Joseph Bhore.]

duty beyond what exists at present. Equally we feel that no case has been made out for reducing the duty on foreign yarns of 50's and below. Our reason for that opinion is that we went into this question very carefully at Simla when we were considering it in connection with the Indo-Japanese Agreement and that the representatives of the handloom weavers assured us that the handloom industry could stand an even higher rate of duty, provided it were possible to organise co-operative buying and selling of yarn and the finished products. As the House is aware, we have undertaken to subsidise schemes which will, we hope, result in the improvement of the handloom industry along these lines. I would also bring to the notice of the House the fact that the reduction of the duty on foreign yarn by a fraction of an anna is hardly likely to benefit the handloom industry very greatly, because it is very doubtful whether this decrease or the whole of it will actually be passed on to the weaver. We feel that he would benefit far more through plans that, we hope, we shall be able to put in motion for the betterment generally of the handloom industry. Sir, I oppose the motion.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158 (ii) (a), the words and figures 'or 1½ annas per pound, whichever is higher' be omitted."

The motion was negatived.

Dr. Ziauddin Ahmad: Sir, I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158 (ii) (b), the words and figures 'or 1½ annas per pound, whichever is higher' be omitted."

Sir, my intention in moving this motion is not to give 25 per cent preference in this specific duty to the British manufacturer. We agreed to give a preference of ten per cent. In the previous case, they have got a preference of 25 per cent in the case of the British manufacturer. Here we find that we have for British manufactures also a preference of 25 per cent. And even this 25 per cent. preference and one-fourth comes to $\frac{1}{4}$ and $1\frac{1}{4}$ ths if we follow even the 25 per cent preference. Is that not right?

Sir, I think we ought to stick to one principle—the principle that we should give a preference of ten per cent to the British goods as we had settled previously. No doubt we are reduced to a very difficult position on account of the competition with Japan and on account of the depreciated currency of that country, and it is high time now that we should revise our old treaties and it is time we ought to revise our "most-favoured-nation" clause. We are now living in entirely different times. The Fiscal Commission has also recommended the revision of these treaties and of our trade relations. We have emphasised from this side that the position has so much altered now in the world that we cannot have the same clause for all the countries. For example, take the case of Germany, Italy, France and Switzerland which are still on gold standard. We find that we have already given them a discount of 35 per cent on account of their appreciated currency, and, if we give them another 25 per cent, then it will come to giving them practically a benefit of about 60 per cent which

is really an enormous amount as compared to the United Kingdom. It may not look very much if we compare it with Japan whose currency has been depreciated, but if we compare this preference with other European countries, then we will find that they are put in a position of great disadvantage. In the first place, they are in a great disadvantage because of their currency, the value of which is about 35 per cent, and, with the additional preference of about 25 per cent, it becomes enormous. So, what ever rules we frame by keeping Japan in our mind they would affect very prejudicially our trade relations with the gold standard countries in Europe. I think the time has now come when we should boldly and definitely get out of the old treaties and treat each country on its own merits. We know that it is very difficult now to frame a rule which may be applicable to Japan on the one side, and Italy, Germany, France and Switzerland on the other. If the former has got a very much depreciated currency, then the latter have appreciated currencies. So, if we put the standard duty, keeping Japan in our mind, then it will affect very prejudicially our trade relations with the other countries. If, on the other hand, we keep these European countries with gold currency in our mind, then, instead of giving them some preference in the positive quantity, we will have to give preference in the negative quantity, because England has already got a preference of 35 per cent on account of her depreciated value of the sterling. I think we ought to find a solution of this difficulty and we cannot go on legislating here which may affect seriously our relations with the other countries of the world. We are not living in India only with reference to England and Japan as we have got our trade relations with all the countries of the world. Therefore, we cannot think of all other countries in terms of Japan and the United Kingdom only. Therefore, the standard rate that we have fixed has been fixed by keeping in our mind Japan only and we have neglected entirely our relations with the other foreign countries. This enormous preference which we are providing here will work out in the case of these other countries to something like 60 per cent which would mean that we are really going to cut off our trade relations with those countries. If we do so and if we do not buy from those countries, then we cannot expect them to buy from us. It is well known that Germany is a very good buyer of most of our products, especially hides and skins, and many other articles. If we put up this barrier and regulate in this manner, then it would be very difficult for these countries to buy from us if we do not buy from them. It is not by way of retaliation, but it is a simple formula that a country cannot buy from another country if it has nothing to sell to this country, because the flow cannot always be one-sided. It must sooner or later dry out altogether. Therefore, we have to make out two distinct formulæ, one for those countries which have an appreciated currency and the other for those countries which have got a depreciated currency. Therefore, we must treat the value of each currency on its own merits, whatever the value of each may be in the market. When we begin to frame rules on the basis of the "most-favoured-nation" clause and treat all the countries alike, we will reduce ourselves to a position of very great disadvantage to India.

Mr. B. Das: What is your concrete suggestion?

Dr. Ziauddin Ahmad: My friend, Mr. B. Das, asks me what is my concrete suggestion. My suggestion is: Do away with your "most-favoured-nation" clause altogether and think of the modern times and cease to

[Dr. Ziauddin Ahmad.]

think of what existed before the war. Then you can make your rules keeping Britain on one side and the rest of the world on the other. You divide into two or three groups and have the duties in accordance with the value existing in that particular country, and that will be the solution of your difficulty. We are prepared to give a preference of ten per cent to British goods and we are committed to it, and we do not want to withdraw it. We want to visualise in our mind the effect of the Ottawa Agreement. At the same time, this ten per cent should be above the standard rate. Now, the question is, what is the standard rate? Is the standard rate the rate of Japan or is it the rate of other countries of the world? Here we find that the two things are entirely different and the time has now come when we should boldly take up this problem and find out a solution, so that we may be able to keep our trade relations with the other countries of the world. I think we cannot delay this solution for long, and probably our agreement with Japan would have been very much simplified and we would probably have come to a quicker and more efficient solution had this "most-favoured-nation" clause, which is an antiquated and out-of-date clause and to which nobody in these days would like to adhere to, had not been always standing in our way. Therefore, I suggest in my amendment that we should now revise our treaties. We should definitely fix the standard rate keeping in our mind the other European countries and have a special rate for those countries whose currency is very much lower like Japan and possibly America, which may be put in later on if they continue to lower the value of their currency. America, as we all know, is a very difficult country to deal with. We do not know how things are working there and how they will end. So, I would at this stage leave America alone till we are in a position to visualise in our mind what they are leading to. What I wish to emphasise in this motion is that the time has now come when we should not consider the United Kingdom as one group and the rest of the world as another group. We have really got to divide the countries into several groups according to the value of the depreciation or the appreciation of their currencies, and take up each problem on its own merit. That is the real point I want to emphasise particularly, and, then, I say, though a duty of this kind may be justifiable if we take Japan as our standard country, but if you take other European countries as our standard country, then a high rate of preference, to my mind, is not justifiable. Sir, I move:

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158 (ii) (b), the words and figures 'or 1½ annas per pound, whichever is higher' be omitted."

Mr. B. Das: Sir, the House is grateful for the very learned speech which Dr. Ziauddin Ahmad delivered just now on the "most-favoured-nation" clause agreement, when not only the twins on the Treasury Bench, the Honourable Member for Industries and Labour and the Honourable the Commerce Member are present, but also I feel very happy to note that the Foreign Secretary and the Honourable the Finance Member are present on the floor of the House. But the Honourable the Law Member, though he is present, is not affected by this discussion. I

was wondering whether my Honourable friend, Mr. Metcalfe, would raise any point of order, because, I know what happened to a certain motion for adjournment of mine where India claimed certain privileges to sign commercial agreements with Japan. Sir, situated as we are and dictated to as we are from Whitehall, whether this Government could repudiate the "most-favoured-nation" clause agreement with European countries, as my friend, Dr. Ziauddin, asked them to do

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

., as my Honourable friend. Mr. Metcalfe, did not raise any point of order or ask the ruling of the Chair not to permit my Honourable friend, Dr. Ziauddin Ahmad, to continue his discourse on the "most-favoured-nation" clause agreement, I felt inclined that Dr. Ziauddin Ahmad was in order in raising that point.

About the other points, namely, the manipulated currency of the European countries and also most of them remaining on the gold standard, and as to how they are affected by this "most-favoured-nation" clause treatment, Sir, I do not know if the Foreign Department and the Finance Department will ever join hands from financial view points and regulate the foreign policy of the British Government or the Government of India. Sir, one thing struck me whether Germany, although she buys cotton, exports any yarn to India. As far as I could gather from the statistics, Germany does not export any yarn. It is Japan that exports yarn, not that I am a lover of this "most-favoured-nation" clause treatment, but, Sir, it has come into existence by agreement, and though I am not very much enamoured of it, it has been agreed to not only by the Government of India, but by the Government of Japan, by the representatives of Indian commerce, the Indian cotton growers and various other sections. So, I do not know whether the Government at this stage will accept the suggestion of my Honourable friend, Dr. Ziauddin Ahmad, but I would suggest to him to raise a special discussion on this particular aspect of the "most-favoured-nation" clause agreement which he raised cursorily just now. I would very much welcome such a discussion as it would enable my Honourable friend, Mr. Metcalfe, to bring out from the archives of the Foreign Office the rules and regulations which the "most-favoured-nation" clause agreement enjoin on us. Sir, as regards the merits of this amendment, I am opposed to it.

Mr. G. Morgan: I am not going to make a speech on this amendment, but I rise to oppose it. The present rate in the Bill is the
5 P. M. rate which is at present in existence. From what I have said before on the previous amendment, my case is that even with the present duty, the spinning industry cannot survive. So, under these circumstances, I can only repeat what I have said before, and oppose this amendment for the omission of "1½ annas per pound".

The Honourable Sir Joseph Bore: I am afraid I must oppose this amendment for the simple reason that my Honourable friend has not established the proposition which he should establish if he desires his amendment to be carried. He wants the words and figures "1½ annas per pound" to be omitted, but he has not endeavoured to show

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that the resulting duty would operate as a sufficient measure of protection for the Indian industry. On what grounds, therefore, he has moved for the elimination of these words, it is difficult to understand. Sir, I am afraid my Honourable friend has failed to establish his case, and I must oppose his amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158 (ii) (b), the words and figures 'or 1½ annas per pound, whichever is higher' be omitted."

The motion was negatived.

Mr. A. H. Ghuznavi: Sir, I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158C (i) (a), the words and figures 'or 4½ annas per pound, whichever is higher' be omitted."

This refers to grey piecegoods (excluding bordered grey *chadars*, *dhoties*, *saries* and scarves). I think that a 25 per cent. *ad valorem* is a sufficient protection for our friends from Bombay, and I do not think, in the interests of the consumers, a higher protection than that should be given. With these words, I move:

Mr. President (The Honourable Sir Shanmukham Chetty): Amend ment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158 C (i) (a), the words and figures 'or 4½ annas per pound, whichever is higher' be omitted."

The Honourable Sir Joseph Bhore: Sir, I am afraid I must oppose this amendment for the same reason for which I opposed the amendment of my Honourable friend, Dr. Ziauddin Ahmad. The fact of the matter is that the rate of duty in the Bill is the rate of duty actually in existence and the onus must, therefore, rest upon anybody who wishes a lower rate of duty to justify it. My Honourable friend has not attempted to show that a lower rate of duty would provide the necessary protection in this case, and I must, therefore, contend, Sir, that he has failed to establish his case. Sir, I oppose the amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158 C (i) (a), the words and figures 'or 4½ annas per pound, whichever is higher' be omitted."

The motion was negatived.

Dr. Ziauddin Ahmad: Sir, I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158 C (i) (b), for the figures '50' the figures '35' be substituted."

I shall briefly explain this to the House. In the case of grey piece-goods, there is a duty of 25 per cent for the British goods, and for non-British goods the duty is 50 per cent. My amendment wants that this duty of 50 per cent. should be reduced to 35 per cent. on non-British goods, so that the British goods will have a preference of only ten per cent. According to the proposal of the Bill, the preference is 25 per cent which I want to reduce to ten per cent. That is really my motion. This figure of 50 per cent was put in on account of the consideration of Japanese competition due to her depreciated currency, but, now, by giving them a quota, the position has changed. I believe what would happen immediately would be that Japan will divide this quota among her own mills, and each mill will probably fix up the prices by the consideration of the Indian products, and there will not be the same kind of competition as existed in the past; because, when the quota is fixed, there is no occasion for them to undersell their goods and they will try naturally to fetch the full value of their articles. One of the results of the quota, which I ought to have pointed out previously and I point out now, is that the cloth which we were getting cheaper on account of their internal competition will now be sold at more expensive rates. That is, the benefit which the Indian consumers so far enjoyed will now go to the Japanese manufacturers, and that is really one of the results of this quota system. So there will be no incentive to them to sell at competitive rates. They will fix their own prices. People may say that they will not purchase them, but still they will fix them at a rate which would be cheaper than the production of the Indian mills, and we know that the Indian mills are not manufacturing at the same economic rate as the Japanese mills are doing. Their cost of production will be ten per cent lower than Indian mills, but they will not offer the cheap rates which they are offering now. Therefore, whatever we have been considering in our minds, the lower value of this cloth so far will no longer be there after this quota has been given, and the Japanese will now try to get the full value of the cloth which they send, from the Indian consumers. In fact they would be better off, because, by selling 400 million yards of the cloth, they will get more benefit out of this than they would probably do in normal conditions by selling more goods. Therefore we will pay the same price for smaller quantity. After this agreement about the quota, I take it that there will be no competition in prices. Japan will try to have the full value of their prices. And, therefore, the whole question on which this preference of 25 per cent was fixed has now disappeared on account of our agreement with Japan; and, in the case of goods from European countries, I have already said that they are suffering under a great disadvantage on account of the appreciation of their currency. We have already given them a discount of 35 per cent or a benefit of 35 per cent to the United Kingdom, and then this additional 25 per cent will tell on our imports from those countries and will certainly affect our trade relations with them. Therefore, even without waiting for the revision of the treaties, without waiting for the reconsideration of the "most-favoured-nation" clause, in this particular case we go ahead and we can safely assume that after giving the quota, there will be no hard and unfair competition with Japanese goods. They know that India will have to purchase, because their prices will be slightly lower than the prices which the Indian mills could possibly offer, and, therefore, they will try to get the full value. Consequently,

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to put a very heavy duty on them would unnecessarily increase the burden on the Indian consumers. I, therefore, beg to move that the preference to British goods should be ten per cent more, than what is already agreed upon in Ottawa agreement, and, in this particular case, a preference of 25 per cent is not needed, and it will seriously affect our trade with the other European countries. I, therefore, beg to move that this 50 per cent should be reduced to 35 per cent.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158 C (i) (b), for the figures '50' the figures '35' be substituted."

Mr. M. Maswood Ahmad: Sir, I want to say in this connection that really this difference between grey piece-goods of British manufacture and of non-British manufacture is too much. You will find that 25 per cent has been proposed for goods of British manufacture and for goods of non-British manufacture 50 per cent which is too much.

Sir I understood, when this 25 per cent was mentioned, that they are giving some preference like 25 per cent of the duty on non-British manufacture to British goods, and if this preference is given to British goods even up to 25 per cent of the duty, it cannot come to 50 per cent; because 25 per cent of 25 per cent should be $6\frac{1}{4}$ making the duty for British goods $31\frac{1}{4}$ per cent. But what Government have done is that they have given a preference of the 25 per cent of the *ad valorem* duty. It is very high and unreasonable too, because, by this means they want to increase it from 25 to 50 per cent. It means that they give a cent per cent preference and the ratio between the preference to non-British and British goods comes to two to one. It is very hard. Statistics in the possession of Government show that actually the other countries are boycotting our goods. Certain friends who have come from America and who have got certain information say that these people clearly say that as we are preferring other goods and we are not prepared to purchase their goods, they cannot purchase our goods. Really the barrier of two to one is very high and it means that practically we do not want that any goods other than British should come to this country. Statistics will show that our trade with Germany, Japan and other countries is going down since the Ottawa Pact, and since the other preferences, which we have given to British goods, all the commodities which we export from India are going down and the ratio of our goods which go to the United Kingdom really does not compensate the loss which we are bearing at present. When our trade with the United Kingdom does not compensate us for our loss, why we are giving this high preference to the British goods cannot be understood. This protection is not in the interest of the treasury. You will see also that the protection does not deserve this differential treatment. I do not find any such differential treatment in the Tariff Board Report. When these expert bodies do not recommend such differential treatment between these countries, Government action to give this preference to British goods is not in the interest of the country and is not liked by the people of India. And I really say that even that ten per cent which has been proposed by Dr. Ziauddin, that is, 35 per cent for the non-British

goods, is really high. But there is no amendment to that effect, and, as I thought that it would not be possible to carry any amendment in this flag-end of the Session, I did not want to give notice of any amendment.

I want that Government should really consider this point,—how far this differential treatment is in the interests of this country. My Honourable friend, Sir Joseph Bhore, has always said that he keeps the interests of India first in his mind; and I want to know how far really this differential treatment is in the interests of India. If this differential treatment is in the interests of India, I have no objection even if this preferential treatment is raised from 50 to 75 per cent; but it is the duty of my Honourable friend to satisfy the House that it is in the interests of India before asking this House to pass the measure. If we, Non-Official Members cannot reject any measure, it does not mean that the people in the country like this measure. Government have not given a chance to the public to decide whether our action was in accordance with the desire of the people or not. So, whatever they want to pass through this House, they can do it; but the people certainly do not like this high tariff at all, and I hope my Honourable friend will realise our difficulties, and, if possible, accept the amendment moved by my Honourable friend, Dr. Ziauddin Ahmad. Sir, I support the amendment.

Mr. J. Ramsay Scott: Sir, I must oppose this amendment. This time last year the duty was 50 per cent. It was then increased in June to 75 per cent; and, now, under the Indo-Japanese Agreement, it has been reduced to 50 per cent; and I think it is impossible for it to go any lower without doing a lot of harm to the industry.

Dr. Ziauddin Ahmad: Will you agree to raise the duty on British goods from 30 to 40 per cent if it is for the interests of the industry?

Mr. J. Ramsay Scott: No, Sir.

Seth Haji Abdoola Haroon (Sind; Muhammadan Rural): Sir, after hearing Dr. Ziauddin Ahmad and Mr. Maswood Ahmad, I am afraid I cannot support the amendment. In their opinion, if there is a reduction in duties, the consumer might get cheaper goods. I do not know how far they are correct: but, in my opinion, the Japanese have agreed and considered properly that with a fifty per cent duty they could easily compete with Indian or British goods. I think my friend misunderstood the figures of 25 per cent on British goods and 50 per cent on Japanese goods, and hence he thought that the Government or the House wanted to give British goods preference. In my opinion, that is not correct, because, if you reduce the duty from 50 to 35 per cent, the Japanese will be able to sell easily in India their fixed quota: not only that, but they may even try to sell at a higher price. If we agree to 35 per cent, we will be giving a purse to the Japanese. Therefore, I oppose the amendment.

The Honourable Sir Joseph Bhore: Sir, I think my Honourable friend, Dr. Ziauddin Ahmad, is so much obsessed by what he calls the degree of preference to British goods that he ignores the consideration whether the rate of duty which he proposes is sufficient to afford adequate protection to the industry. The first question really is whether, so far as British

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goods are concerned, 25 per cent is or is not a sufficient measure of protection. Into that question we have gone at some considerable length during the first stage of the debate on this measure, and I need not repeat what I said on that occasion. The fact remains that a very important section of the industry considers at the present moment that 25 per cent is quite sufficient. In fact, my feeling is that almost the entire industry holds that view. Then, so far as 50 per cent on non-British goods is concerned, I have to point out that, as quite rightly mentioned by Mr. Ramsay Scott, the duty on Japanese goods stood at 75 per cent, and that, as a result of the imposition of a quota, we reduced that duty to 50 per cent; but I should be personally extremely chary of going below 50 per cent unless we could assess with greater exactness the actual result of the fixing of the quota. It may be that the fixing of the quota will remove any incentive the Japanese may have to sell at unnecessarily low rates. At the same time, this 50 per cent ensures that they will not sell at uneconomic rates, rates with which the local industry could not compete: because, although their quota may be fixed, the mere selling of their goods at uneconomic rates in this country would depress the industry here and to that extent our protection would fail in its object. The onus rests upon my Honourable friend to prove that 35 per cent is a sufficient measure of protection on goods other than British goods, and he has not so far been able to discharge it. All that he has done is to come to the conclusion that since the duty on British goods is 25 per cent and since ten per cent is given in respect of other articles as a preference,—therefore, 35 should be the duty on non-British goods. That is not a necessary corollary, and I oppose the amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

“That in the Schedule to the Bill, in Amendment No. 9, in the fourth column the proposed Item No. 158C (i) (b), for the figures ‘50’ the figures ‘35’ be substituted.”

The motion was negatived.

Mr. A. H. Ghuznavi: Sir, I move:

“That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158C (i) (b), the words and figures ‘or 5½ annas per pound, whichever is higher’ be omitted.”

This is with regard to cotton fabrics not otherwise specified—grey piece goods, not of British manufacture. Here, in the Bill, it is put—*ad valorem* 50 per cent or 5½ annas per pound, whichever is higher. Just now, we have heard from my friend, Mr. Ramsay Scott, that 50 per cent *ad valorem* is sufficient protection so far as this is concerned. My motion is that let this 50 per cent be there, but not the 5½ annas per pound whichever is higher: 5½ annas per pound must be higher.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

“That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158C (i) (b), the words and figures ‘or 5½ annas per pound, whichever is higher’ be omitted.”

The Honourable Sir Joseph Bhoré: Sir, I oppose the amendment for the reasons which I have already given, namely, that this duty is a duty which has been in existence for some considerable time, and my friend has failed to establish his case, because he has not shown that the removal of this specific duty will still enable the industry to meet competition from abroad. I oppose the motion.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158C (i) (b), the words and figures 'or 5½ annas per pound, whichever is higher' be omitted."

The motion was negatived.

Dr. Ziauddin Ahmad: Sir, I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158C, (ii) (b), for the figures '50' the figures '35' be substituted."

Sir, I make this motion in this form to raise my point, as I could not directly move the other amendment about raising the duty on goods of British manufacture without the permission of the Governor General in Council. In this item 158C, it is provided that cotton piecegoods and fabrics not otherwise specified, that for British manufacture, the duty would be 25 per cent, and on goods, not of British manufacture, the duty would be 50 per cent, and my intention is that this preference of 25 per cent should be reduced to a preference of ten per cent. This can be done in two ways, either by raising 25 per cent to 40 per cent, or by lowering 50 per cent to 35 per cent. Since I am not allowed to take the first alternative, I choose the second one in order to draw the attention of the House to the principles which I now raise. I said very clearly last time, and I should like to emphasise it at every conceivable opportunity, that we have not been treating the other countries other than Japan fairly. We keep Japan always in our mind and fix the duties and preferences accordingly. This may be a just preference as far as Japan is concerned, but certainly this preference of 25 per cent is anything but just so far as the other countries are concerned.

With regard to other countries, we are already giving the United Kingdom a preference of 35 per cent on account of the difference in exchange, and then an additional preference of 25 per cent will give an extraordinary preference of 60 per cent to British goods compared to Italy, Germany, France, Switzerland and Belgium. No doubt, some preference should be given, but it should be a reasonable preference, and not a preference which may ultimately need to cutting off our trade relations with those countries, and if we keep in mind that Japan has got a depreciated currency, we should also keep in mind that the other countries have got an appreciated currency, and we are already giving them a discount of 35 per cent on account of the appreciation in the value of their currency compared with the sterling rate. This is a point which I should like to emphasise in season and out of season, and whenever I get an opportunity, that we are proceeding in a very wrong direction. We are placing

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together all the countries in one group. We ought to differentiate between the countries which have got an appreciated currency and the countries which have got a depreciated currency. I quite admit that 25 per cent preference is certainly not high for British goods compared with Japan, but it is certainly very high compared to goods imported from Italy, Germany, France, and Switzerland. But, unfortunately, we cannot make a law here by which we can differentiate on account of a clause which we devised some years ago, and now the time has come for us to revise that clause; and it is the so-called "most-favoured-nation" clause.

Now, I do not go behind the Tariff Board Report, and the 50 per cent preference may not be high enough for this purpose, perhaps a higher protection may be needed for these textile manufactures, as was urged the other day. I don't question it, but what I do question is that the preference which we have given to British goods compared to Japan ought to be revised when we begin to compare the other European countries. That is the point which I should like to emphasise.

As regards the protection to our mill industry, I quite admit that they are in a difficult position, and we cannot leave them alone in the interests of India and tell them that they should find their own solution. We should help them to get out of their present difficulties and give them the necessary protection, but it should be clearly pointed out, that protection would be for a fixed period and it could not be extended indefinitely time after time. You cannot give them protection first for five years, and then again for five years, and then again for another five years. We should definitely, as we have done in the case of the sugar industry, give them protection for a specified period, and tell them that we would give them one more extension and, within that time, they must themselves set their house in order, as this protection must come to an end. It was repeatedly pointed out on the floor of the House that the protection given to them is a loan by the consumers to the capitalists, and that they will pay back the advance given to them. That is really the whole object of protection, but if this protection is intended as a free gift, then I do not see any reason for protection, because the consumers are not going to give them a free gift. If we are giving them a kind of loan, then we have a right to expect back that loan after some time

An Honourable Member: With or without interest?

Dr. Ziauddin Ahmad: My friend asks, whether with or without interest? I say that when the time comes for payment, we will discuss the question of interest. At present our capital is at stake.

An Honourable Member: It must be put down as a bad debt.

Dr. Ziauddin Ahmad: I for my part am not prepared to put it down as a bad debt, and I think, when the time comes we will have to take it back. As I said, we must give them protection, but it need not be a very high protection against Italian, German or French goods, because, in this case, we are putting a duty of 85 per cent, 35 per cent on account of appreciated currency and 50 per cent here. Therefore, this 85 per cent duty is not at all desirable, and, therefore, we should agree to give them

protection for a limited period requesting them to put their own house in order, and Government should also give them at the same time every help to put their house in order. Lastly, we must differentiate between countries which have an appreciated currency and those which have a depreciated currency. That is all I have to say.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158C (ii) (b), for the figures '50' the figures '35' be substituted."

Mr. M. Maswood Ahmad: Sir, I rise to support the amendment moved by my friend, Dr. Ziauddin Ahmad, on the same grounds as I stated before, and I don't like to repeat them. But one matter I want to know in this connection, and it is this. I do not think that the Government are consistent in their policy. In item 158C(a), for grey piece-goods, they have proposed 25 per cent. on $4\frac{1}{2}$ annas per pound, whichever is higher, for British manufacture, and for non-British manufacture they have proposed 50 per cent. or $5\frac{1}{2}$ annas per pound, whichever is higher, and this amount they have fixed according to the recommendations of the Tariff Board. But, the Tariff Board have also recommended certain specific duties on other kinds of cloths, such as 25 per cent. and 50 per cent. only. But in the Bill there is no mention of those specific duties. I think that Government are not consistent in their policy in this measure. I hope my Honourable friend will explain the Government position in omitting this specific duty in this connection, and what is Government's policy in this matter, whether they want or do not want to have any specific duty on goods other than grey piecegoods. Though I am opposed to any specific duty, but when this specific duty has been thrown on us, the Government must be consistent in these matters.

Mr. B. V. Jadhav: I rise to support the amendment. Clothing is one of the necessities of life, and, therefore, it ought to be made available to the subjects at as cheap a rate as possible. But, on account of very unfair competition from foreign manufacturers, we have to sanction this scheme of protection.

Japan certainly mobilised all her forces, and set her house in order, and thus she has been able to manufacture cotton goods much more cheaply, but she has also depreciated her currency, and, therefore, her position in exports has become much stronger. Other nations also, such as Italy and Germany, want to have a hand in the cotton piecegoods trade of India, and they are also invading the market. Our indigenous industry must be protected, and, therefore, I whole-heartedly support the scheme. But, then, I want to raise a voice of protest. When our millowners put their house in order and reduce their costs and when they will be making a decent profit, the import duty on cloth ought to be reduced and equilibrium ought not to be brought about by levying an excise duty. The present policy of the Finance Member is that of raising as much revenue as possible, and, for that purpose, excise duties on essentials of life and even articles of food are being raised. Such a policy should not be followed in the case of clothing, and, therefore, I raise this voice of warning. I hope that the successor of the Honourable the Finance Member will abstain from levying

[Mr. B. V. Jadhav.]

an excise on cotton goods, and whenever Government find that the high protection wall is not necessary, then, in the interests of the consumer, that wall ought to be lowered and ultimately levelled to the ground. I heartily support this amendment.

The Honourable Sir Joseph Bhole: I can assure my Honourable friend, Mr. Maswood Ahmad, that the Government are perfectly consistent in this matter. All that they are doing is to continue the present rate of duty. I can assure him that on goods, other than grey goods, there has not been a specific duty. The only question is as regards 25 per cent, and 50 per cent. So far as these two rates are concerned, I have already attempted to explain the position in reply to the previous amendment of my Honourable friend, Dr. Ziauddin Ahmad. I would, however, like to refer to one point that the latter has made. We are fully conscious of the difficulties resulting from the application of "most-favoured-nation" treatment to Japan. We were always conscious of the difficulties that would result from the application of that clause in the case of Japan and we endeavoured to the best of our ability in the negotiations with that country to see if we could in some way modify this clause which appeared in the old Convention. But I pointed out to the House on a previous occasion that if we had insisted upon the elimination of this clause, we should today have been without a treaty with Japan. We had, therefore, to choose between these two alternatives, and we chose what I consider to have been the only alternative which was feasible. I oppose the amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is—

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158C (ii) (b), for the figures '50' the figures '35' be substituted."

The motion was negatived.

Dr. Ziauddin Ahmad: Sir, I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158D (b), for the figures '50' the figures '40', and for the figure and word '4 annas' the figure and word '3 annas' be substituted."

158D deals with fabrics not otherwise specified containing more than 90 per cent. of artificial silk. They have put down this duty on the supposition that artificial silk is silk, while I maintain that artificial silk is not silk. It should be called by some other name. I myself suggested one word, but I withdraw mine in preference to the French word "rayon" which is used for this artificial silk. We are landing ourselves in enormous difficulties by calling this commodity by a false name. If we call it by any other name, we shall be on the right track. People call an ordinary thing by a wrong name and treat it accordingly. Really common people are actually misled by this term "artificial silk". They cannot distinguish between real silk and artificial silk. The latter is cheap, but it does not last long. They are trapped very often by the name of silk. Only few people, who know the chemical composition of this thing, are warned and they are on the right track, but the common people are always trapped

and they purchase the artificial silk thinking it to be silk. We will probably be in the right direction if we pass a motion in this House or a small Bill to the effect that this phrase "artificial silk" should disappear from the Tariff Board's Report and it should be replaced by the word "rayon".

Mr. K. C. Neogy: How will a reduction of duty help your object?

Dr. Ziauddin Ahmad: I say that we have fallen into this trap by calling this particular commodity by a wrong name, and, in order to get to the right direction, I suggest that the Government may be pleased to move a small Bill to the effect that this phrase "artificial silk" appearing in all the Acts and the Reports of the Tariff Board, etc., should be removed and the word "rayon" substituted for it. Then, I am sure, the House will not make any mistake, people will not purchase under false pretences this artificial silk. The Tariff Board dealt with this artificial silk. Had it been real silk, there would not have been any report and there would have been no justification for the whole of paragraph 194. I shall just quote one or two sentences from page 185.

An Honourable Member: Read the whole paragraph.

Dr. Ziauddin Ahmad: I do not want to do it, because Sir Cowasji Jehangir is anxious to move his amendment before 6 P.M.:

"Piecegoods composed partly of artificial silk also compete severely with cotton goods."

Later on, the Tariff Board say:

"We propose that the rate of duty applicable to artificial silk fabrics should be applied to mixtures of cotton and waste silk, except where the proportion of waste silk is not more than 15 per cent. of the total weight. In such cases the duty will be levied at the rate applicable to coloured cotton piecegoods."

Therefore, my submission is that the rate of duty on artificial piecegoods should be the same as we decided for ordinary cotton piecegoods of the same quality, because this thing is not really competing with silk, but it is competing with all the cotton manufactures in this country, and this is really the intention of my motion. With these words, I move my motion.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158D (b), for the figures '50' the figures '40', and for the figure and word '4 annas' the figure and word '3 annas' be substituted."

The Honourable Sir Joseph Bore: My Honourable friend, as far as I could hear him, said not a word in support of the motion for the reduction of the figures "50" to "40" and for the reduction of "four annas" to "three annas". I can promise him that if he can convert the world in respect of the term "artificial silk", we shall certainly adopt his suggestion, but, until he does so, I am afraid, we must adhere to the present name. I oppose the motion.

Dr. Ziauddin Ahmad: My object was not to put this or that figure, but to put silk goods under the category of cotton goods. That is really my intention.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158D (b), for the figures '50' the figures '40', and for the figure and word '4 annas' the figure and word '3 annas' be substituted."

The motion was negatived.

Sir Cowasji Jehangir: Sir, I move:

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 158E., the following be substituted:

158E.	Fabrics not otherwise specified containing more than 90 per cent. of silk, including such fabrics embroidered with artificial silk—		
(i)	Pongee	<i>Ad valorem</i>	50 per cent. <i>plus</i> one rupee per pound.
(ii)	Fuji, Boseki and corded (excluding white cord).	<i>Ad valorem</i>	50 per cent. <i>plus</i> one rupee and eight annas per pound.
(iii)	Other sorts	<i>Ad valorem</i>	50 per cent. <i>plus</i> two rupees per pound."

Mr. B. Das: On a point of information, Sir. I would like to know if Mr. Thampan's amendment is in order. If it is, then I would like to speak on Mr. Thampan's amendment and not the present amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair would ask the Honourable Member to wait till Sir Cowasji Jehangir has finished his speech.

Sir Cowasji Jehangir: The House will recollect that in the Bill as sent to Select Committee, under this head, silk was divided into three classes. I am not going to weary the House by reading the names of the classes. Suffice it to say that for class 1, the duty proposed was Rs. 8 per pound, for class 2, the duty proposed was Rs. 5-12-0 per pound and for class 3 the duty was Rs. 8. From the wording of the Select Committee's Report, I came to the conclusion that they had no intention of raising these duties. They found that on a certain class of goods, imported from China, from Canton to be precise, the duties provided in the Bill had risen considerably, due to the classification I have mentioned. They tried to rectify that error by suggesting only one class in their Select Committee's Report, and the duties they suggested was 50 per cent. *plus* Rs. 2 per pound. The result of that recommendation turned out to be as follows: For the class called Boseki, Fuji, corded, excluding white cord, the duty in the Bill worked out at 66.6 per cent, while it jumped up to 94.4 per cent by the Select Committee's recommendation. Then, we will take the other class which I have mentioned in my amendment—Pongee. That was not included in any particular class in the Bill, but it fell within "all others", for which a duty of Rs. 8 per pound is provided in the Bill.

According to the Bill, the duty on that sort of silk worked out at 320 per cent. It was reduced by the Select Committee's Report to 130 per cent. According to my amendment, the duty on the class called Boseki, Fuji, excluding white cord, will come down to an average of about 84 per cent, while, in the Pongee class, the duty will come down to 90 per cent which I consider to be fair. I suggest no changes in any other class. I accept the Select Committee's Report, namely; 50 per cent *plus* Rs. 2 per pound for all other sorts. By passing this amendment, Government will be doing justice to the importers of silk as the Select Committee, I understand, had no intention of raising the duties. I have tabulated all the figures, and, if any Honourable Member is not satisfied, I will say a few words more, but I do not think it is really necessary. I think I have made my point as clear as I possibly can. The point in short is, the Select Committee's Report raised the duty on one class of silk from 66 to 94 per cent and on another class of silk the Report reduced it from 320 per cent to 130 per cent. According to my amendment, the duty on the first class will be about 84 per cent, and, on the other, it will be 90 per cent. Sir, I move my amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 158E., the following be substituted:

' 158E.	Fabrics not otherwise specified containing more than 90 per cent. of silk, including such fabrics embroidered with artificial silk—		
(i)	Pongee	<i>Ad valorem</i>	50 per cent. <i>plus</i> one rupee per pound.
(ii)	Fuji, Boseki and corded (excluding white cord).	<i>Ad valorem</i>	50 per cent. <i>plus</i> one rupee and eight annas per pound.
(iii)	Other sorts	<i>Ad valorem</i>	50 per cent <i>plus</i> two rupees per pound."

Mr. B. Das: Sir, I wish to inquire whether Mr. Thampan's amendment* is in order and whether it will be moved simultaneously or separately. If Mr. Thampan's amendment is moved, then I would like to speak on Mr. Thampan's amendment and not on the present amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Sir Cowasji Jehangir's amendment substitutes an entire scheme, and, therefore, it has priority on the order paper, but I am told that the net result of Mr. Thampan's amendment will be to increase the burden.

Mr. K. P. Thampan: Not necessarily.

The Honourable Sir Joseph Bhoré: It would result in an increase in the case of certain classes. I do not know what the result would be on the whole, but definitely on certain classes it would result in an increase.

*"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158E., for the figures and words '50 per cent. *plus* two rupees' the figures and words '83 per cent' be substituted."

Mr. K. P. Thampan: On certain other classes it will be definitely less

Sir Cowasji Jehangir: If Mr. Thampan moves his amendment, I can give figures.

Mr. President (The Honourable Sir Shanmukham Chetty): Unless it is clearly established that the net result of Mr. Thampan's amendment will be to increase the burden on all the items comprised in 185E, the Chair will allow Mr. Thampan to move it—the Chair will give him the benefit of the doubt.

Mr. K. P. Thampan: If this amendment is disposed of, Sir, mine will be out of order.

Mr. President (The Honourable Sir Shanmukham Chetty): In any case, even if the Honourable Member moves his amendment now, Sir Cowasji Jehangir's amendment will be first put to the vote. If it is accepted, then Mr. Thampan's amendment goes out.

Mr. K. P. Thampan: If I am allowed to move my amendment, Sir, I shall do so now; and the amendment which is less in effect may be put to the vote first, and the other put afterwards.

Dr. Ziauddin Ahmad: May I suggest that it will help other people if you allow us to hear my Honourable friend's arguments and if you will allow him to develop his arguments on the other side.

Mr. President (The Honourable Sir Shanmukham Chetty): Technically, you cannot have two amendments moved at the same time. What the Honourable Member must do now is this. He can speak on Sir Cowasji Jehangir's amendment and then explain his own amendment. That will be the best position. Unless Sir Cowasji Jehangir withdraws his amendment, the Chair is bound to put it to the vote first.

Sir Cowasji Jehangir: Mr. President, there are three classes of silk mentioned in the Bill. If it could be shown that Mr. Thampan's amendment raises the duty on any one of those three classes, will you rule it in order or out of order,—because it raises the duty on all classes except two?

Mr. President (The Honourable Sir Shanmukham Chetty): There are a number of classes comprised in Item 158E. Now, the effect of Mr. Thampan's amendment may be to increase the duty with regard to certain classes and to reduce it with regard to other classes of silk. But unless it is shown to the Chair that the net result of Mr. Thampan's amendment will be an increase in the whole category taken together, then he will be in order. The Chair thinks the Government are not prepared to make their statement so categorically?

The Honourable Sir Joseph Bore: No, Sir.

Mr. President (The Honourable Sir Shanmukham Chetty): We shall think over this matter. The House will now adjourn till Saturday morning at 11 o'clock.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 14th April, 1934.

LEGISLATIVE ASSEMBLY.

Saturday, 14th April, 1934.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

MEMBER SWORN.

Mr. Andrew Gourlay Clow, C.I.E., M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

ANNUAL INCREMENTS OF THE CLERICAL STAFF IN THE OFFICE OF THE DIRECTOR-GENERAL, POSTS AND TELEGRAPHS.

685. ***Mr. S. C. Mitra:** (a) Is it a fact that in the office of the Director-General, Posts and Telegraphs, the sectional officers, *i.e.*, Assistant Deputy Directors General are empowered, in accordance with the schedule issued with the Home Department Notification No. F. 9/30, dated the 27th February, 1932, as published in the Director-General's circular No. 25, dated the 29th August, 1932, to pass the annual increments of the clerical staff directly working under them?

(b) Is it a fact that in spite of the orders issued under the said circular (i) increment cases of some of the staff of that office, who do not directly work in the group of the Senior Deputy Director-General, were submitted to him last year; and (ii) in many cases they were not submitted to that officer at all?

(c) If the reply to part (b) be in the affirmative, (i) how many such cases are there under (b) (i) and in how many such cases submitted to the Senior Deputy Director-General the increments were passed by him and in how many cases they were not passed? How many cases are there under (b) (ii) and in how many such cases increments were passed?

(d) Will Government please state (i) whether cases under (b) (i) were passed as usual by the sectional officers, and (ii) whether the sectional officers, not in the group of the Senior Deputy Director-General, submitted the cases referred to in part (b) (i) to that officer? If not, who else submitted the cases referred to in part (b) (ii) to the Senior Deputy Director-General after the cases were passed by the sectional officers, and why did he do so?

The Honourable Sir Frank Noyce: (a) The fact is not as stated by the Honourable Member. For administrative reasons, the power to sanction annual increments of the clerical staff in the Office of the Director-General of Posts and Telegraphs is vested in the branch officers and not in the Assistant Deputy Director-General in charge of sections.

• (b), (c) and (d). Do not arise.

Mr. S. C. Mitra: May I inquire, Sir, if for the annual increment of pay under the time-scale system, it is further necessary to have the approval of the higher authorities or it is automatic?

The Honourable Sir Frank Noyce: The position is that increments can be withheld, if conduct has not been good or work not satisfactory. It is, therefore, advantageous that the question whether an increment should be granted or not should be reviewed annually.

CONTRACT FOR THE SUPPLY OF READY MIXED BLACK PAINT TO THE EAST INDIAN RAILWAY.

686. *Mr. S. C. Mitra: (a) Is it a fact that the East Indian Railway Administration has placed a contract for the supply of 43,000 gallons of ready mixed black paint from Messrs. Jenson and Nicholson? If so, will Government be pleased to state whether the East Indian Railway Administration has carried out the exposure test for the paint purchased from Jenson and Nicholson? If so, how many years' exposure test was carried out by them and with what results?

(b) Will Government be pleased to state whether the East Indian Railway and Eastern Bengal Railway maintain any register or records of the results of tests carried out by them about the paints? If not, why not?

(c) Will Government be pleased to state whether the paint ordered by the East Indian Railway from Jenson and Nicholson is the same 3 per cent. Carbon Black which is supplied to Eastern Bengal Railway by the same firm? If so, is it a fact that 3 per cent. Carbon Black was found unsuitable by Government because of its not having lasting properties?

(d) Will Government be pleased to state the reasons why that unsuitable paint of Jenson and Nicholson is being patronized by the East Indian Railway authorities also?

(e) Will Government be pleased to state whether Jenson and Nicholson is an English firm with English shareholders and English capital?

(f) Will Government be pleased to state the steps taken by Government to support indigenous industries against industries with European capital and European shareholders?

(g) Is it a fact that against Indian Stores Department tender No. O-4/M. for 1932-33, the rate contract was accepted for the supply of the Indian Stores Department specifications No. G. O. P./21/1, for 3 per cent. Carbon Black at three different rates from 3 different firms? If so, is it a fact that Jenson and Nicholson quoted at Rs. 9/7 per cwt., Murarka, an Indian firm, quoted Rs. 8/11 per cwt., for the same articles? Is it a fact that Murarka's 3 per cent. Carbon Black was tested by Alipore Government Test House?

(h) Is it a fact that the East Indian Railway authorities refused to place any order with the Indian firm for the black paint, though the paint of the Indian firm was cheaper by Re. 0-14-0 per cwt.?

(i) Is it a fact that in spite of the rate of the English firm being higher by Re. 0-14-0 per cwt., the East Indian Railway authorities placed an order for the supply of black paint from Jenson and Nicholson for 5,000 cwts.?

If so, will Government be pleased to state what is the loss to Government revenues on account of the said transaction, and the reasons for this sort of patronage of English firms?

(j) Do Government propose to make a thorough enquiry into the matter as to who are the officers of East Indian Railway responsible for such losses to Government? If not, why not?

Mr. P. R. Rau: I have called for the information and shall lay it on the table on receipt.

EXAMINATION FOR RECRUITMENT TO THE INDIAN AUDIT AND ACCOUNTS SERVICE.

687. ***Mr. K. P. Thampan** (on behalf of Mr. R. S. Sarma): (a) Is it a fact that Government intend to hold an examination this year for the purpose of recruitment to the Indian Audit and Accounts Service?

(b) If the reply to part (a) be in the affirmative, do Government propose to consider the desirability of relaxing the existing age limit in the case of persons already in Government service, and is it a fact that such examination has not been held since 1931, and that in consequence quite a number of young Government servants, otherwise qualified to sit for the examination, would be age-barred?

The Honourable Sir George Schuster: (a) Yes.

(b) No.

FOOT OVERBRIDGE AT THE ROHTAK RAILWAY STATION.

688. ***Mr. K. P. Thampan** (on behalf of Mr. Jagan Nath Aggarwal): (a) Will Government kindly state whether a foot overbridge was constructed last year at the Rohtak Railway Station for the convenience of the public and specially the school children of the Vaish High School, Rohtak, towards the cost of which a handsome contribution was made by the School?

(b) If the reply to part (a) be in the affirmative, why has the bridge in question not been opened for public traffic?

(c) Are Government aware that only last year a school boy was killed while crossing the line, and that the delay in opening the bridge is causing great inconvenience to the public?

Mr. P. R. Rau: Enquiries are being made from the Railway Administration, and a reply will be laid on the table in due course.

GRIEVANCES OF THE ROUTINE CLERKS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

689. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if they are aware that the routine clerks of the Railway Clearing Accounts Office, Delhi, posted as punchers in the Machine Section, have rendered five to seven years' continuous and approved service?

(b) Are Government aware that since their appointment in the above office, they have never been transferred to other duties and have been compulsorily kept on the duty of punching?

(c) Are Government also aware that recently the Deputy Director of the above office has ordered them to increase their daily out-turn by 25 per cent.? If so, why?

(d) Is it a fact that the strength of the punching section is much less than required and are Government aware that the routine clerks of the punching section are overworked?

Mr. P. R. Rau: (a) Some of the routine clerks doing the duty of punchers in the Machines Section have rendered from five to seven years' service.

(b) I understand that some of them have been doing only punching work since their appointment, but arrangements have been made for changing them periodically.

(c) and (d). No. I would refer my Honourable friend to the reply I gave on the 10th April, 1934, to part (b) of question No. 342 asked by Mr. Gaya Prasad Singh.

GRIEVANCES OF THE ROUTINE CLERKS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

690. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if it is a fact that the Deputy Director of the Railway Clearing Accounts Office, Delhi, has issued an order asking clerks of the punching section to attend office from 8 A.M. to 6 P.M. compulsorily daily?

(b) Are Government aware of the great hardship caused by taking work from them for about more ten hours a day?

(c) Are Government aware that labourers in the Railway Workshops are required to work for not more than eight hours a day?

Mr. P. R. Rau: (a) No.

(b) Does not arise.

(c) Yes.

GRIEVANCES OF THE ROUTINE CLERKS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

691. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if it is a fact that the routine clerks of the Railway Clearing Accounts Office, Delhi, are not granted any overtime allowance for doing extra work during extra hours?

(b) Is it a fact that the routine clerks of the punching section are ordered to attend office on all Sundays and holidays?

(c) Do Government propose to inquire into the grievances of the routine clerks and take steps to redress their grievances?

Mr. P. R. Rau: (a) and (b). No. I would again refer my Honourable friend to the reply I gave on the 10th April, 1934, to clause (b) of question No. 342 asked by Mr. Gaya Prasad Singh.

(c) Any grievances which the staff consider they have can be brought to the notice of the authorities in the usual manner and will then receive careful consideration. Action has been taken on certain grievances already brought to notice.

**GRIEVANCES OF THE ROUTINE CLERKS IN THE RAILWAY CLEARING
ACCOUNTS OFFICE.**

692. ***Mr. N. M. Joshi:** (a) Will Government be pleased to state if it is a fact that the routine clerks in the punching section of the Railway Clearing Accounts Office are styled as Punchure, etc., Grade?

(b) Is it a fact that they do the clerical work as well?

(c) If the reply to part (b) be in the affirmative, will Government be pleased to state the reasons why they are not given the proper clerical status?

Mr. P. R. Rau: (a) As I stated in reply to question No. 282 asked by Mr. Jog on the 3rd April, there is no sanctioned grade of routine clerks, but this term is loosely used to describe staff in the grade of 36—2—60 who are employed on punching, sorting, distributing *dak*, etc.

(b) No.

(c) Does not arise.

**CONSOLIDATED ALLOWANCE TO THE TRAVELLING TICKET EXAMINERS
THE NORTH WESTERN RAILWAY.**

693. ***Sardar Sant Singh:** (a) Is it a fact that the consolidated travelling allowance sanctioned to the Travelling Ticket Examiners on the North Western Railway from 1st December, 1932, is subject to 12½ per cent cut? If so, under what authority?

(b) Is it a fact that the consolidated travelling allowance is a sort of compensatory allowance? If so, under what authority?

(c) Is it a fact that the consolidated travelling allowance is not subject to any cut as long as ordinary travelling allowance is not subject to a cut? If so, under what circumstances has the Agent, North Western Railway now ordered the recovery of 12½ per cent cut on the consolidated travelling allowance of the Travelling Ticket Examiners only with retrospective effect?

(d) Is it a fact that the 12½ per cent cut can in no way be imposed on or withdrawn from the Travelling Ticket Examiners on the East Indian or the North Western Railways with retrospective effect from the 1st December, 1932? If so, under what circumstances are Government deviating from their long established policy in respect of the recovery of the said cut after the expiry of the time limit?

Mr. P. R. Rau: I have called for information and will lay a reply on the table of the House, in due course.

**EXPENDITURE ON THE MOVE OF THE MILITARY ACCOUNTANT GENERAL'S
OFFICE.**

694. ***Mr. S. G. Jog:** (a) Will Government kindly state the number of accountants and clerks at present on the roster of the office of the Military Accountant General?

(b) Will Government kindly furnish details of expenditure incurred by them annually on the move of this office between Delhi and Simla under the following heads during the last three years:

- (i) travelling allowance of establishment,
- (ii) travelling allowance of officers,
- (iii) separation allowance at Delhi,
- (iv) Simla local allowance granted for the period of stay in Delhi,
- (v) Delhi house rent allowance, and
- (vi) carriage of records, etc.?

(c) Will Government kindly state whether the question of the permanent location of this office at Delhi was ever considered, and if so, with what result, and if not, why not?

The Honourable Sir George Schuster: (a) The total number is 111, made up as follows:

Accountants	16
Clerks and Stenographers	76
Routine Grade Clerks	19
	<hr/> 111 <hr/>

(b) A statement is laid on the table.

(c) No. Considerable administrative inconvenience would result if this office were located away from the Military Finance Department and the headquarters of the military administration.

Statement.

		Rs.	a.	p.
(i) T. A. of Establishment for 1930-31		13,537	12	0
" " " 1931-32		19,823	9	0
" " " 1932-33		18,500	3	0
(ii) T. A. of Officers for 1930-31		1,261	0	0
" " " 1931-32		1,951	3	0
" " " 1932-33		1,401	8	0
(iii) Separation Allowance at Delhi for 1930-31		5,600	0	0
" " " " " 1931-32		4,041	11	0
" " " " " 1932-33		3,654	9	0
(iv) Simla local allowance granted for the period of stay in Delhi.	{ October 1931 to March 1932.	32,046	13	0
Ditto	{ October 1932 to March 1933.	31,391	3	0
Ditto	{ October 1933 to March 1934.	30,623	8	0
(v) Delhi House Rent allowance for 1930-31		331	7	0
Ditto 1931-32		261	3	0
Ditto 1932-33		446	2	0

(vi) The information in question is being collected.

NON-GRANT OF DUTY ALLOWANCE TO THE ACCOUNTANTS IN THE OFFICE OF THE CONTROLLER OF RAILWAY ACCOUNTS.

695. *Mr. S. G. Jog: (a) Is it a fact that the accountants of the Military Accounts Department on their transfer to the Military Accountant General's Office draw a special rate of duty allowance, amounting to Rs. 80 per month, in certain cases?

(b) Will Government kindly state the reasons for the grant of this allowance and whether similar allowance is granted to the accountants of the civil accounts offices on their transfer to the Auditor General's office? If not, why not?

(c) Will Government please state whether such an allowance is also admissible to accountants of the Controller of Railway Accounts? If not, why not?

The Honourable Sir George Schuster: (a) Yes.

(b) Accountants transferred temporarily to the Military Accountant General's office continue to draw as their pay proper the same time-scale rates as they would draw in any other office. The duty allowance is granted in consideration of the more important and responsible duty they are called upon to perform in the headquarter office. Accountants recruited from civil accounts offices for the Auditor General's office draw special consolidated rates of pay sanctioned for that office and do not therefore receive a separate duty allowance.

(c) No. Conditions differ in different offices and duty allowance has not been considered necessary in this case.

PAY AND ALLOWANCES DRAWN BY THE ACCOUNTANTS AND CLERKS IN THE OFFICES OF THE MILITARY ACCOUNTANT GENERAL AND THE AUDITOR GENERAL.

696. *Mr. S. G. Jog: (a) Will Government please state whether the personnel of the Military Accountant General's office still draw Simla local allowance, and whether it has long been withdrawn from all the Government of India staff after their revision of pay in 1920? If so, why?

(b) Will Government please state the existing scales of (i) pay and (ii) allowances, both compensatory and remunerative, at present drawn by the accountants and the clerks of the Military Accountant General's office and those drawn by the staff of the Auditor General's office, and the reasons for the difference?

The Honourable Sir George Schuster: (a) The answer to the first part, is "Yes". For the second part, the Honourable Member's attention is drawn to my reply dated the 23rd September, 1931, to Mr. S. C. Mitra's question No. 81(c), where the reasons are fully stated.

(b) A statement showing the rates of pay and allowances is placed on the table.

The basic rates of pay allowed to the accountants and clerks of the Military Accountant General's office are lower than those drawn by the Auditor General's establishment. The consolidated rates admissible to the latter include an element intended to cover some of the allowances drawn

by the Military Accountant General's office establishment, while others are applicable only to migratory offices of which the Military Accountant General's office is one.

Statement.

MILITARY ACCOUNTANT GENERAL'S OFFICE.

Accountants.

(i) *Scales of pay*—Rs. 210—20—410—30—500.

(ii) *Allowances*—

Duty Allowance.—20 per cent. of pay.

Local Allowance.—At the rates laid down in paragraph 24 (a), Simla Allowances Code.

Simla House Rent Allowance.—At the rates laid down in Section II of the Simla Allowances Code.

Compensatory allowance drawn by the accountants of the Pay Section, Military Accountant-General's Office, Simla, in lieu of Duty Allowance, Local Allowance, and Simla House Rent allowance—Rs. 80* p. m.

Clerks.

(i) *Scales of pay*—

Clerks who have passed the Subordinate Accounts Service Examination of the Military Accounts Department . . . Rs. 115—10—225.

Clerks who have not passed the Subordinate Accounts Service Examination of the Military Accounts Department . . . Rs. 55—6—115—5—170—5—200.

Routine Grade clerks	{	Rs. 75—5—150—4— 170 appointed prior to 17th July 1928. Rs. 75—90—4—130 —4—170 appointed after 17th July 1928.
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(ii) *Allowances*—

Local Allowance.—At the rates laid down in paragraph 24 (a), Simla Allowances Code.

Simla House Rent Allowance.—At the rates laid down in Section II of Simla Allowances Code.

Compensatory Allowance drawn by the clerks of the Pay Section, Military Accountant General's Office, Simla, in lieu of Local allowance and Simla House Rent allowance :—

Clerks who have passed the Subordinate Accounts Service Examination of the Military Accounts Department—Rs. 60* p. m.

Clerks who have not passed the Subordinate Accounts Service Examination of the Military Accounts Department—Rs. 50* p. m.

General.

Delhi House rent Allowance.—Is drawn by those accountants and clerks who apply for Government quarters in Delhi but are not allotted any, on the conditions notified by the Home Department every year. This is based on pay and varies from Rs. 7-8-0 to Rs. 15 in the case of married men and from Rs. 4 to Rs. 10 in the case of single men.

Conveyance Allowance.—Is drawn by those accountants and clerks who cannot be provided with Government residences and reside in the Notified area on the conditions notified by the Home Department each year. The rates are Rs. 45 p. m. in the case of those drawing more than Rs. 499 and Rs. 25 p. m. for those drawing less than Rs. 500 p. m.

Delhi Lump Sum Allowance (Separation Allowance).—Is drawn by those accountants and clerks who in consequence of their not being provided with Government residences do not bring their families to Delhi. The amount varies from Rs. 225 to Rs. 315 (payable in two moieties). This allowance is based on pay.

AUDITOR GENERAL'S OFFICE.

Superintendents (Accountants)	Rs. 480—30—750.
Assistant Superintendents (Accountants)	Rs. 240—20—360—30—800. (Efficiency bar at Rs. 420).
Clerks	Rs. 70—7—140—6—230. (Efficiency Bars at Rs. 140 and 170).

Note.—Clerks who have passed the Subordinate Accounts Examination up to and including the year 1932 are granted annual increment at Rs. 12 and those who have passed subsequent to 1932 are given an additional increment of Rs. 3 besides the ordinary rate of increment.

TRANSFER OF MEN FROM THE MILITARY ACCOUNTANT GENERAL'S OFFICE
TO THE VARIOUS CONTROLLERS' OFFICES.

697. ***Mr. S. G. Jog:** (a) Will Government please state whether there is a practice in vogue in the Military Accountant General's office, under which about 20 men are transferred each year from that office to the various Controllers' Offices? If so, will Government please state the reasons for this?

(b) Will Government please state whether similar transfers take place between the staff of the Auditor General and other Civil Accountants General? If not, why not?

(c) Will Government please state the amount of annual expenditure involved in these transfers to and from the Military Accountant General's office?

The Honourable Sir George Schuster: (a) The establishment* in the headquarters office other than Routine Grade Clerks consists of individuals transferred from Controllers' offices for periods of five years. The average annual turnover is something less than 20. The main reasons for this practice are:

- (i) the changing conditions in the Army necessitate frequent changes in audit and accounting procedure and it is necessary that men employed in the head office should have up to date practical knowledge of work in the subordinate offices of the Department;
- (ii) the experience gained by service in the head office is of great value and Controllers' offices are strengthened by the return of men who have had five years' training in a wider sphere of activity.

Experience has shown that these reasons are well-founded and that both the head office and subordinate offices benefit by these periodical interchanges.

(b) The answer to the first part is "No". It does not follow that because a particular method of staffing is suitable for one office, it is also suitable for another. The system of staffing the Auditor General's office is that which he considers appropriate.

(c) The average annual expenditure is approximately Rs. 4,000.

**TRANSFER OF MEN FROM THE MILITARY ACCOUNTANT GENERAL'S OFFICE
TO THE VARIOUS CONTROLLERS' OFFICES.**

698. ***Mr. S. G. Jog:** (a) Are Government aware that, in view of extra allowances granted on transfer to the staff of the Military Accountant General's office, a lot of favouritism has cropped up in the Controllers' offices in the matter of selection of personnel for transfer and has thus created a good deal of discontent among the staff of the Military Accounts Department as a whole?

(b) Are Government also aware that these transfers affect very adversely the education of the children of the staff on account of the change of university?

The Honourable Sir George Schuster: (a) Government are aware that selection for transfer to the head office is much appreciated both as a recognition of merit and for the increased emoluments, and that competition for selection is, therefore, keen. That being so, there is naturally disappointment among those who do not secure nomination, but Government have no reason to suppose that the selections are not fairly made.

(b) Government appreciate the point, but while a change of system might be welcome to those individuals who are at present in the head office it would cause keen disappointment in the Department as a whole.

**TRANSFER OF MEN FROM THE MILITARY ACCOUNTANT GENERAL'S OFFICE
TO THE VARIOUS CONTROLLERS' OFFICES.**

699. ***Mr. S. G. Jog:** (a) Will Government please state who is the authority responsible for incurring this large expenditure on these frequent transfers of officers and staff in the Military Accounts Department?

(b) Is the Honourable the Finance Member personally aware of this? If not, is he prepared to issue necessary instructions to stop this practice of frequent transfers in the Military Accounts Department?

The Honourable Sir George Schuster: (a) The responsible authority is the Government of India.

(b) I am aware that this expenditure is being incurred and I consider that it is justified. I am not, therefore, prepared to take the action proposed.

**RETRENCHMENT IN EACH COMMAND OF THE MILITARY ACCOUNTS
DEPARTMENT.**

700. ***Mr. S. G. Jog:** (a) With reference to the reply given on the 9th March, 1934, to part (c) of starred question No. 420, will Government please state how many times the Financial Adviser had an occasion to visit the Controllers' offices during the last three years?

(b) Will Government please state whether the Controllers of Military Accounts also function as Financial Advisers to the General Officers Commanding-in-Chief, Commands, on behalf of the Financial Adviser, Military Finance? If so, will Government please state what steps the Financial Adviser at the headquarters has taken to ensure that his duties are properly carried out by his representatives?

(c) Is it a fact that the Financial Adviser at headquarters has a deputy attached to each head of the Army Headquarters Branch? If so, will Government please state why the duties of the Financial Adviser require his personal continued presence at Army Headquarters?

(d) Is it a fact that each of the heads of the Army Headquarters Branches frequently goes on tour to obtain first hand information as to the efficiency and other cognate matters connected with the particular arm of service for which he is responsible to His Excellency the Commander-in-Chief?

(e) Will Government please state whether the Financial Adviser is not also similarly responsible for the efficiency of the Military Accounts Department and for the maintenance of close co-operation between the military and accounts authorities with a view to effect economy in military expenditure? If so, what steps has the Financial Adviser taken to discharge these responsibilities?

(f) Will Government please refer to the figures of losses under Army Supply and Store Depôts, and Medical Store Depôts, etc., exhibited in Appendices E and G of the Appropriation Accounts of the Army for the year 1931-32 and state what steps they have taken to minimise these losses? If none, why not?

(g) Do Government propose to consider the desirability of furnishing in future this House, through the Public Accounts Committee, more detailed information as regards the causes attributing to these losses, such as suggestions of the financial and other authorities for remedying the defects responsible for these losses and the action taken by Government thereon?

The Honourable Sir George Schuster: (a) Once.

(b) Yes. Instructions are issued from time to time to Controllers as required, and reports are received from them.

(c) Deputy Financial Advisers are attached to the Branches of the Adjutant General, the Quartermaster General and the Master General of the Ordnance, and to the Royal Air Force Headquarters. The Financial Adviser deals direct with other Branches. The Honourable Member has not, I think, quite understood the position of the Financial Adviser. He is a Joint Secretary to Government in the Finance Department in charge of the Military Finance Branch and, like other Secretariat officers, his duties are such as ordinarily to require his presence at the headquarters of Government.

(d) Yes.

(e) The responsibility is not "similar". The responsibility of the Financial Adviser for the matters referred to is that of a Secretariat officer and not of the executive head of a Department. The executive head of the Military Accounts Department is the Military Accountant General, and it is he who makes tours of inspection of subordinate accounts offices.

(f) The reduction of losses on stores is a matter which has the constant attention of the administrative Branches concerned. The losses are also considered by the Military Accounts Committee and the Public Accounts Committee and any suggestions they make are always fully considered.

(g) In addition to the total figures given in the Appropriation Accounts, important individual cases of loss are brought to notice in the Audit Report of the Director of Army Audit. If the Honourable Member will refer to these reports and to the proceedings of the Military and Public Accounts Committees, I think he will find that the causes and remedial measures are fully discussed.

CONTROL OF THE PERSONNEL OF THE MILITARY ACCOUNTS DEPARTMENT.*

701. *Mr. S. G. Jog: (a) Will Government please state whether the personnel of the Military Accounts Department, both subordinate and superior, is under the administrative control of the Honourable the Finance Member, through the agency of the Financial Adviser, Military Finance and the Military Accountant General?

(b) Will Government please state what procedure is followed by them in disposing of an appeal, addressed to the Honourable the Finance Member by a subordinate, a Deputy Assistant Controller or a superior service officer, relating to his reinstatement, promotion or demotion in the Military Accounts Department, against the orders of the Military Accountant General?

(c) Is it a fact that the same authority, i.e., the Military Accountant General, against whom the appeal is made, again deals with the appeal initially and upholds his original orders?

(d) Are Government prepared to consider the possibility of introducing a method by which such appeals are not dealt with by the Military Accountant General at any stage but directly by an independent superior authority and are invariably submitted for the Honourable the Finance Member's personal orders? If not, why not?

The Honourable Sir George Schuster: (a) I am not clear as to the purport of this question. The Military Accountant General is the executive head of the Military Accounts Department, the Financial Adviser is the Joint Secretary responsible to Government for the administration of the Department and the business of the Department, like other financial business, is included in the portfolio of the Finance Member.

(b) The Military Accountant General has no power to reinstate, promote or degrade a Deputy Assistant Controller or a Superior Service officer. As regards subordinates, the normal procedure is that an appeal to the Finance Member against an order of the Military Accountant General is submitted through the Controller under whom the individual is serving, the Military Accountant General and the Financial Adviser. Each of these officers records his opinion on the points raised in the appeal.

(c) As I have stated, an original order of this kind can be passed by the Military Accountant General only in the case of subordinates. In such cases the Military Accountant General does have the opportunity of expressing his opinion on the appeal. Whether that opinion accorded with his original order would probably depend on whether the appeal disclosed any new facts or not.

(d) No. Government are not prepared to contemplate any procedure for the hearing of appeals which would exclude the opinion on the appeal of the head of the Department concerned.

PURCHASE OF HORSES FOR THE ARMY.

702. ***Mr. Muhammad Azhar Ali** (on behalf of Lieut. Nawab Muhammad Ibrahim Ali Khan): (a) Are Government aware that at present this country does not produce more than one-third of the horses required for the army alone, and one-tenth of the horses required for other purposes?

(b) Are Government aware that about 70 lakhs of rupees at a conservative estimate leave India annually for the purchase of horses from over-seas to meet the deficiency in home-bred horses, and that about 700 or 800 horses (Arab) are imported annually into India; and are shown in the customs returns as valued at about Rs. 300 each?

(c) Is it a fact that they are sold in India for racing purposes at least at an average of Rs. 3,000 each and that most of that money goes out of India?

Mr. G. S. Bajpai: (a) During the last year 48·5 per cent. of the requirements of the Army for riding horses was met by Indian-bred horses. The import of horses into India for purposes other than Army requirements is very small.

(b) Government have no exact information, but as the Army, which is the biggest purchaser of imported horses, spends only Rs. 12 lakhs approximately on this account, an annual expenditure of 70 lakhs would seem to be an over-estimate. During the seven years ending 1931-32, the import of Arab horses averaged 622 annually. Information as to the value placed on them in customs returns is not readily available.

(c) Government have no information but understand that Rs. 3,000 is not considered too high a price for a good class Arab race horse.

HORSE-BREEDING INDUSTRY IN SOUTH AFRICA, ETC.

703. ***Mr. Muhammad Azhar Ali** (on behalf of Lieut. Nawab Muhammad Ibrahim Ali Khan): (a) Are Government aware that in countries in which horse-breeding industry is in a flourishing condition, *e.g.*, South Africa, it is racing that keeps the industry alive, and that in South Africa 85 per cent. of the race-horses are home-bred, compared with 11 per cent. in India, to the great advantage of South African horse-breeders?

(b) Are Government aware that Rs. 42 lakhs are given in racing stakes every year in India, of which less than two lakhs is specifically allotted to races for horses of the country?

Mr. G. S. Bajpai: (a) and (b). Government have no official information on the subject.

Khan Bahadur Malik Allah Baksh Khan Tiwana: May I ask, Sir, if horse-breeding is a Central or a Provincial subject?

Mr. G. S. Bajpai: Horse-breeding is, I take it, part of animal husbandry, which is a Provincial subject and not a Central subject.

Khan Bahadur Malik Allah Baksh Khan Tiwana: Is it not a fact that the Punjab Government, in order to make the country self-supporting from the point of view of horse-breeding, have granted large plots of land for that purpose?

Mr. G. S. Bajpai: I do not know if the object of the Local Government was to make India self-supporting, but I do know that they have made large grants of land, and I believe they also make an annual monetary contribution to the National Horse-Breeding Society of India.

Khan Bahadur Malik Allah Baksh Khan Tiwana: Will Government think it advisable to draw the attention of other Local Governments to take some steps in that direction?

Mr. G. S. Bajpai: Sir, that was done by Government in 1929.

Mr. M. Maswood Ahmad: May I know, Sir, what is meant by the word "official" information?

Mr. G. S. Bajpai: I should have thought, Sir, that the word "official" is sufficiently understood.

Mr. M. Maswood Ahmad: Is it because Government have got some non-official information also in this connection?

Mr. G. S. Bajpai: The position is that the National Horse-Breeding Society made a representation to the Government sometime ago in which they quoted certain figures. Government have not been able to verify those figures. That is why I said no official information is available.

MAKING INDIA SELF-SUPPORTING IN HORSES.

704. ***Mr. Muhammad Azhar Ali** (on behalf of Lieut. Nawab Muhammad Ibrahim Ali Khan): (a) Are Government aware that the National Horse-Breeding and Show Society of India is doing everything in its power in accordance with its limited financial resources, to assist Government directly and indirectly in making India self-supporting in horses for the benefit of the country? If so, why have Government withdrawn the small grant which they used to make to the Society? Are they prepared to consider its restoration?

(b) When and what steps do Government propose to take to ensure to Indian horse-breeders a profitable market for their produce, and to support the National Horse-Breeding and Show Society of India in its efforts to this end?

Mr. G. S. Bajpai: (a) Government are aware of the activities of the National Horse-Breeding and Show Society of India. Government withdrew the grant as a measure of retrenchment and the question of restoring it can be considered only when financial conditions improve.

(b) The matter appears to be one for Local Governments in the first instance as animal husbandry is a transferred provincial subject.

IMPORT DUTY ON HORSES.

705. ***Mr. Muhammad Azhar Ali** (on behalf of Lieut. Nawab Muhammad Ibrahim Ali Khan): Is there any import duty on horses imported from over-seas? If not, why not?

The Honourable Sir Joseph Blore: Horses are not liable to customs duty as it has not hitherto been part of the tariff policy of the Government of India to levy duty on live animals.

RAILWAY BETWEEN JAKHAL AND SIRSA.

706. *Sirdar Harbans Singh Brar: With reference to the unstarred question No. 87 of the 20th January, 1930, by Khan Bahadur Sarfraz Hussain Khan, will Government please state when they are likely to start the project of connecting Jakhal Junction on the North Western Railway with Sirsa on the Bombay, Baroda and Central India Railway and from thence to Ellenabad on the Bikaner State Railway? If not, why not?

Mr. P. R. Rau: The proposal to connect Jakhal and Sirsa by a broad gauge line was dropped in 1930, as it was found that the traffic prospects were not promising. An extension of that line to Ellenabad has never been under consideration.

INDIANS GIVEN THE KING'S COMMISSION IN THE ARMY.

707. *Sirdar Harbans Singh Brar: (a) Will Government please state the number of Indians, according to communities, who have so far been given the King's Commission in the Army and the number of those who belong to (i) martial classes and (ii) non-martial classes from each of these communities?

(b) Will Government please state the number of persons belonging to non-martial classes among the ranks in the Army as compared with those belonging to martial classes?

(c) Is it a fact that for a very long time only martial classes have been offering themselves for service in the Army? If so, do Government propose that the commissions in the Army shall be restricted to the martial and non-martial classes in proportion to their number in the ranks?

Mr. G. R. F. Tottenham: (a), (b) and (c). Government do not maintain statistics of the kind asked for by the Honourable Member in the first part of the question. He would, however, probably be able to extract the information he requires from the gradation list in the Indian Army List which gives the names of all officers. As regards the remainder of (a), part (b) and the first portion of part (c), his attention is invited to the answer I gave on the 11th December, 1933, to part (d) of starred question No. 1384.

The answer to the last portion of part (c) is in the negative. Entry to the officer ranks of the Army is by open competition and Government have no intention of introducing communal considerations.

TRAINS, ETC., ON THE FEROZEPORE-LUDHIANA SECTION OF THE NORTH WESTERN RAILWAY.

708. *Sirdar Harbans Singh Brar: Will Government please state if the number of trains run and the time taken by them, on the Ferozepore-Ludhiana Section of the North Western Railway is the same as was twenty years ago?

Mr. P. R. Rau: I am making enquiries from the Agent, North Western Railway, and shall place a reply on the table in due course.

PROVISION OF CERTAIN AMENITIES ON STATIONS OF THE REWARI-FAZILKA AND KOTKAPURA-FAZILKA SECTIONS OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

709. *Sirdar Harbans Singh Brar: (a) Are Government aware that the number of trains run on the Rewari-Fazilka section of the Bombay Baroda and Central India Railway are few and the time taken by them long?

(b) Is it a fact that at most of the way-side stations there are no sheds, whatsoever, for the shelter of passengers from the rain or the heat of the sun?

(c) Are Government aware that Roranwala and Ramnagar stations on the Kotkapura-Fazilka section, are situated in very well-to-do localities with fairly large traffic, but that the absence of waiting rooms and passenger sheds, as well as of the platforms is causing great inconvenience to the travelling public?

(d) Do Government propose to take early steps to get these amenities provided for the public without any further delay?

Mr. P. R. Rau: I am making enquiries from the Agent, Bombay, Baroda and Central India Railway, and shall place a reply on the table in due course.

CONVERSION OF THE FAZILKA-KOTKAPURA SECTION OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY INTO A BROAD GAUGE RAILWAY.

710. *Sirdar Harbans Singh Brar: Will Government please state when it is proposed to convert the Fazilka-Kotkapura section of the Bombay, Baroda and Central India Railway into a broad gauge railway?

Mr. P. R. Rau: The conversion to broad gauge of the Fazilka-Kotkapura section was at one time under consideration as a possible continuation of the proposed broad gauge cross connection from Lyallpur to Chananwala, but was abandoned after investigation.

CONSTITUTION OF THE ADVISORY COMMITTEE OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

711. *Sirdar Harbans Singh Brar: (a) Will Government please state the constitution of the Advisory Committee of the Bombay, Baroda and Central India Railway?

(b) Are Government aware that the Advisory Committees of the Bombay, Baroda and Central India Railway do not have a single person on them to represent the Rewari-Fazilka section, which is no less than 263 miles in length and serves about the whole of the Southern Punjab and the Punjab States? If so, do Government propose to request the Railway administration to nominate a person of this section on the Ajmer Committee?

Mr. P. R. Rau: (a) The constitution of the Bombay, Baroda and Central India Railway Advisory Committee is as follows:

1. Agent, Bombay, Baroda and Central India Railway—**Chairman.**
2. One representative of the Local Government.
3. One representative of the Bombay Legislative Council.
4. One representative of the Bombay Municipality.
5. One representative of the Bombay Chamber of Commerce.
6. One representative of the Indian Merchants' Chamber and Bureau.
7. One representative of the Bombay Port Trust.
8. One representative of the Bombay Millowners' Association.
9. One representative of the Ahmedabad Millowners' Association.
10. One representative of the Rajputana Administration.

(b) Members of the Committee are not selected on the basis of representation of different sections of the line. The principles governing the choice, which were laid down in 1922, after consultation with the Central Advisory Council for Railways, are that in addition to members representing the Local Government and the municipal corporation at headquarters, there should be representatives from the Legislative Council to represent rural interests and the travelling public, and other members to represent industries, commerce and trade.

**PROVISION OF REFRESHMENT ROOMS AT CERTAIN STATIONS ON THE
REWARI-FAZILKA SECTION OF THE BOMBAY, BARODA AND CENTRAL
INDIA RAILWAY.**

712. *Sirdar Harbans Singh Brar: (a) Are Government aware that on the Rewari-Fazilka section of the Bombay, Baroda and Central India Railway with a length of 263 miles, there are only two stations with Hindu and Muhammedan refreshment rooms?

(b) If so, do Government propose to get more Indian refreshment rooms established at important stations like Muktsar, Fazilka, Kotkapura, Hissar or Sirsa? If not, why not?

Mr. P. R. Rau: (a) and (b). Government understand that refreshment rooms exist at Rewari and Bhatinda and Indian Refreshment Stalls at Bhiwani, Hissar, Sirsa, Kotkapura, Fazilka, Rewari and Bhatinda. The Agent, Bombay, Baroda and Central India Railway, reports that existing refreshment rooms are poorly patronized and no demand appears to exist for any more at other stations.

**ERECTION OF A BUILDING AT THE RORANWALA STATION ON THE BOMBAY,
BARODA AND CENTRAL INDIA RAILWAY.**

713. *Sirdar Harbans Singh Brar: Do Government propose to get a suitable building erected at the Roranwala station on the Fazilka-Rewari section? Is it a fact that at present the booking and goods offices are located in a goods wagon for the last ten or twelve years? If not, why not?

Mr. P. B. Rau: With your permission, Sir, I propose to reply to questions Nos. 713 and 714 together.

Government have no information, but copies of the questions are being forwarded to the Agent, Bombay, Baroda and Central India Railway, for consideration of the Honourable Member's suggestions.

PROVISION OF THIRD CLASS WAITING ROOMS AT MUKTSAR STATION ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

†714. ***Sirdar Harbans Singh Brar:** (a) Are Government aware that Muktsar Railway station on the Bombay, Baroda and Central India Railway (Rewari-Fazilka section) commands large pilgrimage traffic all the year round, and especially in the month of January?

(b) Is it a fact there is no adequate accommodation for the passengers to protect themselves from the biting cold and winds while waiting for the trains?

(c) Do Government propose to get suitable third class waiting rooms erected before the next cold weather?

DISSOLUTION OF THE PRESENT LEGISLATIVE ASSEMBLY.

715. ***Mr. M. Maswood Ahmad:** (a) Has the attention of Government been drawn to the following A. P. I. message published in the *Statesman* (page 9, column 5), dated the 30th March, 1934?

"According to lobby conversations yesterday, the Government of India have practically decided to dissolve the present Assembly before October, by issuing a writ for elections. The next Session in Simla will, therefore, be held towards the end of July or the beginning of August. The present Session is not expected to conclude before April, 20."

(b) If the answer to part (a) above be in the affirmative, will Government please make a full statement on the subject of the dissolution of the present Assembly?

(c) Is it intended to hold the next Simla session in July or August?

The Honourable Sir Brojendra Mitter: (a), (b) and (c). Government hope to be able to make a statement before the end of the Session.

Mr. Lalchand Navalrai: Has the attention of Government been drawn to the communication in the *Hindustan Times* which says that on this question there is a difference of opinion between the Secretary of State and the Government of India?

The Honourable Sir Brojendra Mitter: No, Sir. I have not seen what appeared in the *Hindustan Times*.

Mr. Lalchand Navalrai: May I know from the Honourable Member if there is a difference between the Government of India and the Secretary of State?

The Honourable Sir Brojendra Mitter: I am not in a position to make any statement on this subject beyond what I have said in answer to the question asked by Mr. Maswood Ahmad.

Mr. M. Maswood Ahmad: Have Government received any direction in this connection from His Majesty's Government?

The Honourable Sir Brojendra Mitter: I am not in a position to make any further statement than that we hope to make a statement before the end of the Session.

Mr. H. P. Mody: Have they received any petition from Members?

Dr. Ziauddin Ahmad: Leaving out the question about the communication between the Government of India and the Secretary of State with which we are not concerned, will the Honourable Member please inform the House whether the election will take place this year or not? This is a question in which we are vitally concerned.

Mr. President (The Honourable Sir Shanmukham Chetty): Next question.

OPENING OF A BROADCASTING STATION IN DELHI.

716. *Mr. M. Maswood Ahmad: (a) Is it a fact that a new broadcasting station is going to be opened during the course of the next year at Delhi?

(b) If so, will Government please state

(i) what the expenses in this connection will be;

(ii) whether sanction of the Standing Finance Committee and this House was obtained, if not, why not; and

(iii) when the new station is likely to be opened?

The Honourable Sir Frank Noyce: (a) The attention of the Honourable Member is invited to my reply to Kunwar Hajee Ismail Ali Khan's starred question No. 652 on the 7th April, 1934.

(b) (i) The initial expenditure is estimated at Rs. 25,000 and the recurring expenditure at Rs. 16,000 per annum.

(b) (ii) The approval of the Standing Finance Committee was obtained to the provision of Rs. 40,000 in the budget estimates for 1934-35, for the extension of broadcasting in places other than Calcutta and Bombay. The details of the proposed station at Delhi have not yet been finally worked out, but if decided upon it is intended that the expenditure should be met from the provision just mentioned after a further reference to the Standing Finance Committee if it is found that this is required under the rules.

(b) (iii) It is estimated that at least nine months will be required for constructing and testing the station after all details have been settled.

PRODUCTION OF SPIRIT FROM WATER HYACINTH.

717. *Mr. M. Maswood Ahmad: (a) Is it a fact that recently cheap power spirit has been produced from the water hyacinth?

(b) If so, will Government please state

(i) where the experiment was tried in India;

(ii) what steps Government have taken or propose to take with a view to its production on a large scale?

Mr. G. S. Bajpai: (a) and (b). (i) The experiment has been tried by Dr. Fowler in Cawnpore, and by Professor Ghosh in Calcutta. Alcohol has been produced successfully from the technical point of view. Quite recently Dr. H. K. Sen of Calcutta claims to have discovered a cheaper process. Government, however, are not in a position to say whether any of the processes are likely to prove a success on a commercial scale.

(ii) In view of the last sentence of the reply to the preceding part of the question, the matter does not arise.

Mr. M. Maswood Ahmad: Do Government propose to enquire into this matter?

Mr. G. S. Bajpai: I do not think it is really necessary to enquire into this matter. It is for the inventor if he wants assistance to approach the Government.

QUANTITY AND VALUE OF INDIAN COTTON BOUGHT BY LANCASHIRE.

718. ***Mr. M. Maswood Ahmad:** Will Government please state the quantity and the value of Indian cotton bought by Lancashire during each of the last five years?

The Honourable Sir Joseph Bhoré: The Honourable Member is referred to the Annual Seaborne Trade Accounts of British India, copies of which are in the Library of the Legislature, which show by countries the total figures of quantity and value of cotton exported from India in each year. Government have no information regarding the quantity and value of Indian cotton bought by Lancashire but it may reasonably be assumed that most of the cotton shipped from India to the United Kingdom is intended for consumption in Lancashire Mills.

Mr. M. Maswood Ahmad: Will Government state whether the time for collecting this information from the Seaborne Trade Accounts would have taken more time than preparing this answer?

The Honourable Sir Joseph Bhoré: I do not wish to deny my Honourable friend the pleasure of collecting the information for himself.

COLONIZATION ENQUIRY COMMITTEE OF SOUTH AFRICA.

719. ***Mr. M. Maswood Ahmad:** (a) Will Government please state the composition and terms of reference of the Colonization Inquiry Committee appointed in 1932 by the South African Government to devise means for the migration of Indians from South Africa?

(b) Were any Indians associated with this Committee? If so, what are their names?

(c) When is the report of the Committee likely to be published?

(d) Will this House be given an opportunity to discuss the report? If not, why not?

Mr. G. S. Bajpai: (a) The attention of the Honourable Member is invited to the Press Note, dated the 15th June, 1933, issued by the Government of India.

(b) Mr. S. R. Naidoo represented the South African Indian Congress on the Committee.

(c) No date has yet been fixed.

: (d) The suggestion of the Honourable Member will be considered.

DEPUTATION OF MR. R. H. LOCKE, SUPERINTENDENT OF HORTICULTURAL OPERATIONS IN DELHI, TO BAGHDAD.

720. *Mr. M. Maswood Ahmad: (a) Is it a fact that Mr. R. H. Locke, Superintendent of Horticultural Operations in Delhi has been asked by the British Air Ministry to proceed to Baghdad for the purpose of giving his advice regarding the plantation of a new residential area near Hinadi in South Baghdad?

(b) If the answer to part (a) be in the affirmative, will Government please state:

(i) whether their sanction was obtained by the officer concerned before he consented to undertake this work; if not, why not; and

(ii) who will bear the expenses thus incurred?

The Honourable Sir Frank Noyce: (a) Yes.

(b) (i) Yes.

(ii) The expenses will be borne by the British Air Ministry in London.

SHORT NOTICE QUESTION AND ANSWER.

COMMITTEE ON RULES REGARDING PAYMENT OF LOST OR MUTILATED CURRENCY OR BANK NOTES.

Mr. Muhammad Muazzam Sahib Bahadur: When do Government propose to appoint the Committee to examine the question of the rules regarding payment on lost or mutilated currency or bank notes referred to by the Joint Committee on the Reserve Bank Bill?

The Honourable Sir George Schuster: As indicated in that report, Government propose to appoint a small Committee of officials and non-officials which will meet in Bombay, as soon as possible, after the close of the present session. It will be composed of two Non-Official Members from the Legislative Assembly and one from the Council of State under the chairmanship of Sir Osborne Smith, Kt., K.C.I.E., Managing Governor of the Imperial Bank of India. Mr. Kelly, Controller of the Currency will also attend as official member and Secretary. The representatives of the Legislature will be Sir Homi Mehta (Council of State) and Sir Cowasji Jehangir and Mr. Vidya Sagar Pandya (Legislative Assembly).

I am laying on the table the proposed terms of reference.

Terms of Reference.

To examine the Currency Notes (Refund) Rules, 1921, as modified by the Government of India, Finance Department Notification No. F-4 (XV)-F-27, dated the 19th May, 1927, and to consider whether any change in them is desirable in existing circumstances, and if so, to what extent, and in this connection to consider and report whether the existing remittance facilities are sufficiently cheap and adequate and if not, whether there is any action that Government could take in order to increase those facilities.

UNSTARRED QUESTIONS AND ANSWERS.

INADEQUATE NUMBER OF MUSLIM ASSISTANTS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

343. Kunwar Hajee Ismail Ali Khan: (a) Is it a fact that the Controller of Printing and Stationery, India, New Delhi, once issued instructions to the Manager, Government of India Press, New Delhi, asking him to stop the recruitment of members of the majority community to the clerical establishment until the percentage of the minority community reached the required number? If so, will Government be pleased to state what action has so far been taken in that direction?

(b) Are Government aware that questions have been asked from time to time in this House on the subject of recognising the legitimate claims of the Muslim community with regard to the adequate representation in the Assistant's grade of the Government of India Press, New Delhi?

(c) Is it a fact that the Assistant's grade in the Government of India Press, New Delhi, still remains unrepresented by the Muslim community? If so, why?

(d) Will Government be pleased to state the number of appointments in the Assistant's grade made since 1927 in the Government of India Press, New Delhi, and whether the claims of the Muslim community were ever considered at the time of recruitment and promotion in that grade?

(e) If the answer to part (d) shows an inadequate representation of Muslims in the Assistant's grade, are Government prepared to give an assurance that, when filling up future vacancies in that grade, they will take such action as might give the Muslim community their due share?

The Honourable Sir Frank Noyce: (a) Yes; the order was cancelled.

(b) Yes.

(c), (d) and (e). The policy of communal representation is not followed in making appointments in each grade and the question of the representation of a particular community in a grade does not arise. I have no list of the appointments made to the Assistant's grade since 1927, but there are no Muslims in that grade at present.

CONTRIBUTORY PROVIDENT FUND FOR THE CLERKS OF THE GOVERNMENT OF INDIA PRESSES.

344. Kunwar Hajee Ismail Ali Khan: (a) Is it a fact that Government have compulsorily established Contributory Provident Fund for the clerks of the Government of India Presses, abolishing the pension system?

(b) Will Government be pleased to state whether the abolition of pension system and the introduction of Contributory Provident Fund has been made at the request of the clerks of the Government of India Presses, or at their own accord?

(c) Is it a fact that the main object to establish Contributory Provident Fund Rule in the Government of India Presses was for the industrial employees, who are considered technical employees, and not for clerks who are considered as non-technical?

(d) Will Government be pleased to state whether the Contributory Provident Fund Rule has also been enforced in any Government of India offices? If not, why? If it has been enforced in any Government of India offices, will Government be pleased to state what rate of Government contribution is given to the employees of those offices?

(e) Are Government aware that Government contribution given to the Press employees is comparatively less than Government contribution given to the employees of those offices?

(f) If the replies to the preceding parts be in the affirmative, are Government prepared either to withdraw the new Contributory Provident Fund Rules and restore the old pension system or to make increase in the contribution given to the employees by the Government?

The Honourable Sir Frank Noyce: (a) Yes, for clerks recruited on or after the 15th July, 1920.

(b) The fund was established to meet certain grievances of the press employees generally as regards pensions.

(c) No.

(d) and (e). There are relatively few establishments under the Government of India which enjoy the benefits of the Contributory Provident Fund. The Fund is intended primarily for certain technical specialists, but exceptions to this rule are sometimes made on grounds of administrative convenience. The rate of Government contribution is generally $6\frac{1}{2}$ per cent. of a subscriber's actual emoluments and this is the rate to which employees in the Government of India Presses are entitled.

(f) No.

MACHINE AND BINDERY REPORT-WRITERS OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

345. Kunwar Hajee Ismail Ali Khan: Is it a fact that machine and bindery report-writers in the Government of India Press, Calcutta, are treated as industrial employees? If so, will Government be pleased to state why the machine and bindery report-writers of the Government of India Press, New Delhi, are treated as clerical employees?

The Honourable Sir Frank Noyce: The reply to the first part is in the affirmative. As regards the second part, the Machine and Bindery report-writers are now treated as industrial employees.

LEAVE APPLICATIONS OF THE CLERKS OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

346. Kunwar Hajee Ismail Ali Khan: (a) Are Government aware that the leave applications of the clerks of the Government of India Press, New Delhi, are dealt with very strictly by the Manager, and is it a fact that their services are often dispensed with if they apply for leave?

(b) Is it also a fact that the Manager Government of India Press, New Delhi, rejected the applications for leave, supported by medical certificates, of certain clerks?

(c) Is it also a fact that the Manager, Government of India Press, New Delhi, is in the habit of sending clerks to the Chief Medical Officer for

getting countersignatures on their medical certificates, even if the leave applied for is for a short period?

(d) If the answers to parts (a), (b) and (c) be in the affirmative, will Government be pleased to state what remedy they propose in order to put an end to the hardships the clerks have to face each time they apply for leave?

The Honourable Sir Frank Noyce: (a) The reply to both parts is in the negative.

(b) Only in one case, as the Manager had reasonable doubts about the illness of the applicant. On an appeal from him, the leave was granted.

(c) No. A second medical opinion is obtained when considered necessary.

(d) Does not arise.

RECRUITMENT OF MUSLIM PEONS IN THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

347. Kunwar Hajee Ismail Ali Khan: (a) Will Government be pleased to state the number of permanent and temporary posts of peons in the Government of India Press, New Delhi, with the percentage of the Muslims?

(b) Is it a fact that the percentage of Muslim peons in the Government of India Press, New Delhi, is low? If so, do Government propose to issue orders to the Manager of the above mentioned Press to stop the recruitment of Hindus, till the percentage of the minority community reaches the required limit?

The Honourable Sir Frank Noyce: (a) 9 and 4, respectively, 15 per cent. are Muslims.

(b) There is no specified percentage of Muslim peons and the second part of the question does not arise.

NON-CONFIRMATION OF CERTAIN MEN IN THE BINDERY AND WAREHOUSE DEPARTMENT OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

348. Kunwar Hajee Ismail Ali Khan: Are Government aware that there are men in the bindery and warehouse department of the Government of India Press, New Delhi, who have been working for the last 10 or 15 years, and have not yet been made permanent? If so, what remedy do Government propose to safeguard the interests of the temporary men?

The Honourable Sir Frank Noyce: There are some men on the regular temporary establishment with a number of years service, and Government have under consideration proposals for an increase in the permanent establishment by a corresponding reduction in the strength of temporary establishment.

FORMATION OF A CIVIL WING OF THE INDIAN ARMY ORDNANCE CORPS.

349. Mr. S. C. Mitra: (a) Will Government please state when they sanctioned the formation of a Civil Wing of the Indian Army Ordnance Corps?

(b) What is the extent of the scheme of Civilian Storekeepers and their grading, pay and allowances and prospects together with a statement of the grading, pay and allowances and prospects of their British confreres?

(c) Do Government expect to effect any economy by the introduction of this scheme? If so, how much?

(d) Is it not the intention to Indianize a quarter of the B. O. R. strength of the Indian Army Ordnance Corps? If so, within what period do Government expect to effect it?

(e) Has every fourth vacancy in the cadre of the British Non-Commissioned Officers gone to an Indian since the formation of the Indian Civil Wing? If so, how many such vacancies occurred since 1928 and what is the present strength of the Civilian Assistant Storekeepers?

Mr. G. R. F. Tottenham: (a) On the 5th April, 1928.

(b) Every fourth vacancy in the cadre of British N.C.Os. is offered to a civilian who is appointed Assistant Store-keeper. The present grading and rates of pay are:

	Rs.
On appointment—(12 months probation) . . .	100
On confirmation as Assistant Storekeeper (Lower Division).	120—6—150 (efficiency bar).
Assistant Storekeeper (Upper Division) . . .	160—10—250 (efficiency bar).
Storekeeper, Lower Division	260—15—350 (selection bar).
Storekeeper, Upper Division	375—25—450

No allowances are given.

Assistant Storekeepers can reach a maximum pay of Rs. 450 and earn pension under the C. S. R.

The grading and rates of pay of British warrant and non-commissioned officers are:

	Before 26th October 1925.	After 26th October 1925.
Sergeant	220	210
Staff Sergeant	280	250
Sub-Conductor	380	335
Conductor	420	370

The value of the allowances given to British other ranks averages Rs. 125 per head. A British other rank who joined the I.A.O.C. before the 30th September, 1931, received:

Promotion to staff sergeant after 3 years I.U.L. service.

„ „ sub-conductor „ 9 „ „ „ „

„ „ Conductor „ 16 „ „ „ „

„ „ Commissioned rank, by vacancies occurring in a fixed cadre of 56 departmental officers.

British other ranks who joined the I.A.O.C. after the 30th September, 1931, receive promotion to the ranks mentioned above within a cadre which consists at present of:

- 8 majors.
- 16 captains.
- 32 lieutenants.
- 84 conductors.
- 140 sub-conductors.
- 336 non-commissioned officers,

with pension according to rank and service.

(c) Yes. Approximately 6 Assistant Storekeepers are appointed annually at an annual saving of about Rs. 18,000.

(d) The attention of the Honourable Member is invited to the answer I gave on the 15th September, 1933, to starred question No. 961.

(e) Yes. There have been 132 vacancies since the 1st April, 1928, and the present strength of Assistant Storekeepers is 33.

REORGANISATION OF THE INDIA UNATTACHED LIST.

350. **Mr. S. C. Mitra:** (a) Will Government please state if the I. U. L. has been reorganised lately?

(b) What is the total fixed establishment of the B. O. Rs. of the Indian Army Ordnance Corps under this reorganisation?

(c) What is the proportion of Non-Commissioned Officers to Warrant Officers?

(d) Has any proportion of Assistant Storekeepers to Storekeepers been fixed so far? If not, why not?

(e) If the matter is under consideration, what percentage is under contemplation? In case it is not the same as for Non-Commissioned Officers to Warrant Officers, will Government please state the reasons for this differentiation?

Mr. G. R. F. Tottenham: (a) Yes.

(b) 560.

(c) I have given the details in my reply to the preceding question.

(d) and (e). The question is under consideration whether a proportion should be fixed similar to that for British other ranks.

PROMOTIONS IN THE INDIAN ARMY ORDNANCE CORPS.

351. **Mr. S. C. Mitra:** Will Government please state:

(a) the number of years of service a Non-Commissioned Officer of the Indian Army Ordnance Corps satisfying all conditions of promotion has normally to put in to attain the rank of a full Conductor;

(b) similar information as at part (a) in case of civilian Assistant Storekeepers; and

- (c) whether they propose to introduce the same system of promotion as for their British confreres, *i.e.*, Assistant Storekeepers Lower Division to Assistant Storekeeper Upper Division after three years and thereafter promotion by vacancies within a fixed establishment?

Mr. G. R. F. Tottenham: (a) Attention is invited to the answer to part (b) of question No. 349.

(b) and (c). These questions are under consideration.

PROVISION OF QUARTERS TO CIVILIAN ASSISTANT STOREKEEPERS AND STOREMEN OF THE INDIAN ARMY ORDNANCE CORPS.

352. Mr. S. C. Mitra: (a) Are the permanent civilian employees in Ordnance factories provided with Government quarters at a nominal rent?

(b) Do the civilian Assistant Storekeepers and Storemen of the Indian Army Ordnance Corps get similar housing facilities? If not, why not?

(c) Do Government propose to undertake to build quarters of the type provided to employees of Ordnance factories for this class of personnel?

Mr. G. R. F. Tottenham: (a) The civilian non-gazetted supervising staff, both European and Indian, employed in the Ordnance Factories are provided with rent-free quarters under the terms and conditions of their service. When quarters are not available, they are granted compensation.

(b) No. Their terms of service do not entitle them to this concession.

(c) The answer is in the negative.

PROMOTION OF ROUTINE CLERKS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

353. Lieut. Nawab Muhammad Ibrahim Ali Khan: (a) Is it a fact that the list of retrenched clerks belonging to minority communities awaiting for appointment in the office of the Railway Clearing Accounts, has almost been exhausted? If so, will Government please state why new clerks from amongst the candidates from outside have been engaged in preference to a number of retrenched and trained routine clerks who are available for re-appointment?

(b) Will Government please state how and for what reasons the new clerks were considered more useful than the routine clerks who are already trained in office work?

(c) Is it not a fact that the routine clerks of the Railway Clearing Accounts Office do precisely the same and equal amount of work as is performed by all other clerks there?

(d) Are Government aware that the rules regarding the promotions of routine clerks to the next higher grade restrict their promotion at a rate of only five per cent. out of the total clerical vacancies?

(e) What is this Punchers, etc., grade?

(f) Does the Chief Commissioner, Railway Board, propose to give his personal attention to the grievances of the routine clerks employed in the Railway Clearing Accounts Office?

Mr. P. E. Rau: (a) The reply to the first part of the question is in the affirmative. Retrenched punchers, sorters, etc., who are on the waiting list are only eligible for re-employment in vacancies in the grade from which they were retrenched and not in higher grades.

(b) Direct recruitment to the rank of clerks, as distinct from promotion or re-appointment of routine clerks, is based on considerations of efficiency.

(c) No.

(d) Yes.

(e) This is a grade on Rs. 83—2—60 for punchers, sorters and *dak* distributors, etc.

(f) I would refer my Honourable friend to the reply I gave to question No. 691 by Mr. Joshi.

RESOLUTIONS PASSED AT THE MEETING OF THE MEDICAL AND DENTAL PROFESSIONS OF BOMBAY.

354. Dr. Ziauddin Ahmad: (a) Has the attention of Government been drawn to the resolutions passed at the meeting of the Medical and Dental Professions of Bombay, held on the 18th March, 1934, under the chairmanship of Dr. A. P. Bacha?

(b) If so, what action do Government propose to take on these resolutions?

Mr. G. S. Bajpai: (a) Yes.

(b) Government do not consider that any action on their part is called for.

RETRENCHMENT IN THE RAILWAY ACCOUNTS DEPARTMENT.

355. Seth Liladhar Ohaudhury: (a) Is it a fact that Mr. L. S. Deane in his note on retrenchment in the Railway Accounts Department in 1931 promised to run the Controller of Railway Accounts' office with one deputy only and the post of Assistant Controller Railway Accounts had to be abolished after a year?

(b) Is it a fact that, instead of abolishing the post of the Assistant Controller of Railway Accounts, an additional post of an Assistant Accounts Officer was created for four months in connection with the compilation of the Appropriation Accounts and has now been extended for the next official year?

(c) If the reply to the preceding part be in the affirmative, will Government please state what steps they propose to take to materialize the promises made by the Controller of Railway Accounts in regard to retrenchment in that office?

(d) Is it a fact that Mr. L. S. Deane in his note on retrenchment in the Railway Accounts Department stated that he could hold charge of both his own office and of the office of the Controller of Railway Accounts? If so, will Government please state why the proposal was not accepted and a considerable saving made by bringing one of the posts into reduction?

Mr. P. B. Rau: (a) No.

(b) Yes.

(c) In view of the reply to part (a), this question does not arise.

(d) Mr. Deane made a suggestion to this effect as a temporary measure, but Government considered it undesirable in the interests of the public service that the Controller of Railway Accounts should be directly responsible for one of the particular offices under his control as Controller of Railway Accounts. It was their view that he should be free to deal with more important matters of policy affecting the Accounts Offices in general.

STATEMENTS LAID ON THE TABLE.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands): Sir, I lay on the table the information promised in reply to unstarred question No. 222, asked by Mr. S. G. Jog on the 21st March, 1934.

NEW ROADS, PARKS AND PLACES OF RECREATION CONSTRUCTED IN DELHI.

222. No new parks or places of recreation have been constructed in Old or New Delhi during the last three years. As regards roads, construction has been limited during this period to seven branch and service roads none of which has been named after important personages.

Mr. G. R. F. Tottenham (Army Secretary): Sir, I lay on the table the information promised in reply to starred question No. 411 asked by Mr. Gaya Prasad Singh on the 7th March, 1934.

DISABILITY PENSION TO MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

*411. (i) To their full extent.

(ii) Yes. The rule in paragraph 44, Financial Regulations, Part I, is quite clear.

(iii) and (iv). No. The amount of arrears to be given in one of the two cases quoted was settled by the Government of India themselves, while in the other cases Government are satisfied that the action taken by the Controller was in accordance with their orders.

Mr. P. B. Rau (Financial Commissioner, Railways): Sir, I lay on the table:

- (i) the information promised in reply to part (b) of starred question No. 1189 asked by Mr. Lalchand Navalrai on the 28th November, 1933;
- (ii) the information promised in reply to starred question No. 193 asked by Mr. Goswami M. R. Puri on the 21st February, 1934;
- (iii) the information promised in reply to unstarred question No. 154 asked by Mr. S. G. Jog on the 6th March, 1934; and
- (iv) the information promised in reply to starred question No. 564 asked by Pandit Satyendra Nath Sen on the 28th March, 1934.

WITHHOLDING OF APPEALS AGAINST HIS ORDERS BY THE DIVISIONAL PERSONNEL OFFICER, NORTH WESTERN RAILWAY, KARACHI.

*1189. (b) The Agent, North Western Railway reports that he has ascertained from the Divisional Superintendent, Karachi, that appeals to him from the orders of dismissal or discharge passed by an Executive Officer are not withheld.

LEAVE TO SICK STAFF ON THE NORTH WESTERN RAILWAY.

*193. The Agent, North Western Railway reports as follows :

(a) The rules for medical attendance on Railway employees issued under Government of India, Public Works Department, Circular No. 2-Railway, dated 19th April, 1892, (Copy enclosed), lay down that subject to certain limits as to residence, all employees are entitled to gratuitous attendance from the Medical Officer appointed for the purpose either at their houses in serious cases or at such other place as may be arranged for locally in trifling ailments which do not confine the patients to their houses. This rule is followed on the North Western Railway.

(b) No. Such leave is not refused if the requisite medical certificates acceptable under the Railway rules are produced testifying to the sickness of the employees. No employees is debarred by the Administration from applying for medical aid from Civil Hospitals. Certificates other than those issued by the Railway Doctors are accepted and countersigned if the conditions laid down in the Railway Rules governing the acceptance of such certificates are fulfilled.

NORTH WESTERN RAILWAY.

Manager's Circular No. 7 of 1892.

Rules for Medical Attendance.

The accompanying rules for medical attendance on Railway employees and their families promulgated under Government of India, Public Works Department, Circular, No. 2-Railway, dated 19th April, 1892, are re-printed for general information, in supersession of the I. V. S. Railway Manager's Circular No. 10. of 1883. The new rules will have effect from 1st June 1892.

G. F. WILSON, Major R.E.,
for Manager.

LAHORE;

28th June 1892.

Rules for Medical attendance on State Railway Employees by Medical Officers appointed for the purpose.

1. For purposes of medical attendance employees shall be classified into :—

- I. Officers.
- II. Subordinates drawing a salary* of Rs. 325 and upwards.
- III. Subordinates drawing a salary* of less than Rs. 325.
- IV. Menials (including the servants of Railway employees).

*The word "salary" includes overtime and all allowances except travelling allowance.

2. Subject to the limits as to residence prescribed in Rule 14, all employees are entitled to gratuitous attendance from the Medical officers appointed for the purpose, for themselves (and in the case of those drawing salaries below Rs. 75 a month for their families also) either at their houses in serious cases, or at such other place as may be arranged for locally in trifling ailments which do not confine the patients to their houses.

3. All employees and their families are entitled to gratuitous medical attendance when seeking it at the Railway Hospital or dispensary, either as in or outpatients, to the extent of the accommodation available.

4. It shall be the duty of the Chief Railway Medical Officer to attend at the Railway hospital or dispensary at a fixed hour every morning for the foregoing purpose, as also to consider and countersign the medical certificates granted by Medical Subordinates to employees on whom they are in attendance.

Officers and subordinates who reside within Railway limits or within a reasonable distance, should not apply for certificates to any other medical man than the Railway Medical Officer appointed to attend them.

Classes I and II.

5. Classes I and II (para. 1) shall be entitled to the personal attendance at their houses, of the Chief Railway Medical Officer appointed for the purpose, gratuitously for themselves, and on payment in the case of members of their families.

6. In cases of trifling sickness which do not confine the employees to their houses, it is expected that they will seek advice from the Medical Officer, either at his own house or at the Railway Hospital during the visiting time, or at such other place as may be arranged for locally, to be considered as the Medical Officer's consulting room.

7. In the case of members of their families, it is not considered desirable to make any rule on this point. The arrangement must be left altogether to the good taste and good feeling of patient and doctor.

8. Medicines shall be issued without charge to all Railway employees and their families on the prescription of Railway Medical officer of all grades. But the Chief Railway Medical Officer shall have power to impose restrictions on his subordinates against the needless issue of expensive drugs or of those which may be running short.

Classes III and IV.

9. Men of classes III and IV shall receive medical advice from the Subordinate Medical employees; men of class III at their own houses under circumstances sketched in paras. 5 and 6 and men of class IV at the Railway Hospital. Men in class III on salaries of not less than Rs. 75 may, in important cases, desire the attendance of a Superior Medical Officer, who will in that case visit the patient and decide whether his further attendance is necessary or not. It shall be open to the friends of the patient also to ask the medical man in actual attendance for a consultation whenever they think one necessary.

10. Requests of this kind should be complied with and the Medical Officers applied to shall be held responsible for the consequences of a refusal to attend to them.

11. On the other hand, Heads of Departments should see that the privilege is not abused.

12. The application should be made by a responsible member of the family whenever one is present.

13. Whenever an employee calls upon a Medical Officer of the Railway for medical assistance either for himself or for any member of his family, the officer so called upon shall, if the case is represented as urgent, render such assistance as may be necessary without hesitation, leaving the question of urgency, or of his being the particular medical employee who should render aid, or of arrangement as to fees, etc., to be enquired into and settled afterwards.

14. Employees residing in the native town, or in any place remote from the Railway lines, shall make their own arrangements for any medical attendance they may require at their houses. The "remoteness" of a residence shall be determined by local agreement or by previous custom. In case of doubt the decision of the Manager shall be final.

Medical Certificates.

15. In the cases of classes I and II, medical certificates of temporary unfitness for duty should be signed by a railway medical officer ordinarily, or by a commissioned medical officer or a medical officer in charge of a civil district.

16. Men of classes III and IV residing within the prescribed beat of a properly appointed Railway Medical Subordinate, should be compelled to obtain medical certificates from such medical subordinate. In the case of men residing beyond the limits of the beat of the Railway Medical Subordinate and tendering such certificates from medical men not qualified, as described in the preceding rule, it shall be the duty of the Chief Railway Medical Officer to enquire into each case, and counter-sign or not, as the case may demand, the medical certificates submitted in this way.

Payment of fees for medical attendance on families.

17. This shall be regulated by the contract system or by the visit, as the employee may prefer. The following rules of the contract system do not apply to accouchements, which should be arranged for separately :—

Contract System.

18. Employees wishing to pay in this way shall, within two months of their coming to the station, or on their families coming to reside with them, signify their desire to the local heads of their departments, who should without delay communicate information to the Chief Medical Officer, who in his turn will inform the employee of the particular Medical Officer to whom he should look for aid.

19. The contract should be held to commence from the beginning of the calendar half year on which the application is made, to be terminable by notice, and to last for periods of not less than six months; failing notice it will be presumed that the contract is in force for the ensuing six months.

20. Contracts are terminable at once and without notice, *ipso facto*, by transfers of the employees or during their absence on leave or otherwise, for periods of one month or over, provided their families also leave the station at the same time, and are renewable on their return on the employee giving the usual notice.

21. An employee shall have the right to avail himself of the services of a Medical Subordinate of a lower grade than that of the Medical Officer to whose services he is entitled, on payment of the scale of "contract" or "visit" fees fixed for the subordinate he chooses. But when he wants the services of the higher Medical Officer he cannot claim them at the contract rates fixed by these rules.

22. When an Apothecary or Assistant Surgeon is placed in independent medical charge of any Railway Community he shall be entitled to the contract rates of payment as if he were the Chief Railway Medical Officer of a District. But when paid by the visit, the fees shall be at the rates fixed by rule for Medical Officer of his class. The Consulting Physician or other Administrative Medical Officer shall decide, in cases of doubt, whether a Medical Subordinate is in independent medical charge or not.

23. The contract rates of payment shall be Rs. 2 per cent., on the substantive pay when an employee is attended by the Chief Railway Medical Officer, and one per cent., when attended by an Assistant Surgeon or an Apothecary. Payments to be made monthly through the local head of the department, who should receive a written authority from each employee desirous of joining, to make the necessary deduction from his month's pay. These payments shall secure all necessary attendance at his house for his family including all members of it living with, and supported by the employee.

24. Should an employee call upon a Medical Officer to attend any member of his family before he has had an opportunity of formally joining the contract, he should at the time inform the Medical Officer whether he elects to pay by contract or by visit. Failing this it shall be held that the attendance is to be paid for by the visit, and the contract system cannot be adopted afterwards for that particular illness.

25. Employees on salaries below Rs. 75 a month can claim gratuitous medical attendance for themselves and for their families at their houses in necessary cases, from the Medical Subordinate appointed by local arrangement to attend on them, provided they reside within the Railway premises or in their neighbourhood, but are not to be debarred from claiming medical attendance, on payment from a subordinate medical officer or visits in consultation from the Chief Railway Medical Officer of the station whenever they choose to do so; such attendance shall be given

by medical officers without reference to the necessities of the case; these calls should be made, however, whenever possible, during the usual visiting hours, and are compulsory only in the case of residents within the Railway premises or in their neighbourhood.

Payments by the visit.

26. In the event of an employee not entering into the arrangement of payment by contract as laid down in the present rules the medical attendant shall be paid the following fees per visit according to the class of the employee, men of class II paying under scale A, and men of class III, who draw Rs. 75 and over, under B :

	A			B		
	Rs.	A.	P.	Rs.	A.	P.
Chief Medical Officer	5	0	0	3	0	0
Assistant Surgeon, Civil or Military	2	0	0	1	8	0
Hospital Assistants, Sub-Hospital Assistants, and Native Doctors	0	12		0	8	0

Men drawing less than Rs. 75 are exempt from payment of fees.

Accouchements.

27. Railway Medical Officers when called upon shall be bound to attend the wives of employees in their confinements, provided a competent nurse or midwife is employed as well.

The fees shall be as follows :—

To the Chief Medical Officer :—

For the wife of an officer Rs. 100

For the wife of a subordinate Rs. 0 per cent. of the monthly salary upto a limit of Rs. 50.

To an Apothecary or an Assistant Surgeon :—

For the wife of an officer Rs. 50

For the wife of a subordinate Rs. 5 per cent. of the monthly salary upto a limit of Rs. 25.

28. No employee shall be compelled to adopt any of the foregoing system of payment for medical attendance on his family, or to employ any of the Railway Medical Officers for this purpose. But in the event of his not desiring to adopt these rules, he must make his own arrangements for medical attendance and medicines.

TREATMENT OF RE-INSTATED EX-STRIKERS ON THE GREAT INDIAN PENINSULA RAILWAY.

154. Agent, Great Indian Peninsula Railway, reports as follows :

"The A Grade (Guards) is not reserved exclusively for Europeans and Anglo-Indians, Suitable Indians are appointed to this grade directly and also indirectly by promotion from B Grade Guards. There has been no reduction in the wages of either A Grade or B Grade Goods Guards. In the matter of personnel, a few B Grade Guards that were surplus to requirements were demoted to C Grade, whereas in the A Grade more than 50 per cent. were discharged on account of retrenchments"

DISCHARGES IN THE BHURKUNDA COLLIERY.

*564. (a) and (b). The Chief Mining Engineer, Railway Board, reports that the services of 13 men were terminated owing to reduction in cost of establishment of Bhurkunda Colliery in May, 1933, and that the prescribed rules for reduction were followed in all cases.

BILL PASSED BY THE COUNCIL OF STATE LAID ON THE TABLE

Secretary of the Assembly: In accordance with the provisions of Rule 25 of the Indian Legislative Rules, I lay on the table the Bill further to amend the Indian Trusts Act, 1892, for a certain purpose, which was passed by the Council of State on the 12th April, 1934.

CERTAIN REPORT OF THE PROCEEDINGS OF THE LEGISLATIVE ASSEMBLY ISSUED BY THE ASSOCIATED PRESS.

Mr. A. H. Ghuznavi (Dacca cum Mymensingh: Muhammadan Rural): Sir, I rise to a point of personal explanation. My attention has been drawn to a report of the proceedings of this House issued by the Associated Press and published in yesterday's issue of the *Statesman* and other papers giving quite a wrong impression of an incident which took place in this House on the 12th instant. It will be in your recollection, Sir, and also in the recollection of this House that in the course of my speech, on the spur of the moment, I used certain expressions which I should not have used. Nothing was farther from my thoughts than to have made any insinuations against my Honourable friend, the Commerce Member, and I had never intended to do so. You will further remember, Sir, that immediately thereafter I not only made ample amends by apologising to my Honourable friend and explaining what I had meant to say, but of my own initiative I also requested you, Sir, to have the remarks in question expunged from the minutes of the proceedings, whereupon you directed that they be expunged. Mr. President, the report in question is misleading inasmuch as it absolutely ignores my request to you and makes no mention of it. Further, the publication of these remarks is mischievous inasmuch as it has frustrated and defeated the object of having them expunged from the minutes. Mr. President, you are the custodian of the powers and privileges of this House and my duty ends by drawing your attention to this matter.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair believes that the incident of the other day was the first of its kind when part of the proceedings was ordered to be expunged at the same time those proceedings took place. The Chair would suggest for the guidance of the Press that where such expunging of proceedings takes place immediately, it would be eminently desirable that the Press do not give publicity to those things.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): May I enquire from you, Sir, if there is a remedy for gross misreporting of Select Committee proceedings, as for instance, the

dissenting note that I wrote on the Sugar (Excise Duty) Bill in the Select Committee has been put in the mouth of my Honourable friend, Mr. Morgan, misrepresenting him as well as myself by the Associated Press? Is there any remedy for such things? Or, are we to bring them before the notice of the Chair, or are we to submit to them in helplessness?

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair is not able exactly to understand the Honourable Member's question.

Mr. C. S. Ranga Iyer: The Select Committee report is placed on the table of the House generally. For instance, in regard to the Sugar (Excise Duty) Bill, I had written a dissenting note as well as my Honourable friend, Mr. Morgan. The Associated Press attributed my dissenting note to Mr. Morgan and added his own note to it, thereby misrepresenting Mr. Morgan as well as myself, not giving me a place that was due to me; at any rate, there has been a good deal of misapprehension about that and comments in the newspapers will naturally follow saying that I did not do my duty and that Mr. Morgan has done his duty, not by those by whom he wanted to do this duty, but by the opposite party.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Who suffers?

Mr. C. S. Ranga Iyer: My friend, Mr. Morgan, has suffered.

Mr. President (The Honourable Sir Shanmukham Chetty): If there is a deliberate misreport of either the proceedings of this House or of the proceedings of a Committee of this House by any newspaper or by any news agency, it is a matter of which the Chair will take notice.

Mr. C. S. Ranga Iyer: It was a misreport of a grossly inaccurate kind.

ELECTION OF THE OTTAWA TRADE AGREEMENT COMMITTEE.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): Sir, I beg to move:

"That this Assembly do proceed to the election, in such manner as may be approved by the Honourable the President, of a Committee of the Assembly consisting of 12 Members in accordance with the recommendation contained in paragraph 19 of the Report of the Committee set up by this Assembly on the 10th November, 1932, which was approved by a Resolution of the House adopted on the 6th December, 1932, on the subject of the Trade Agreement concluded at Ottawa between the Government of India and His Majesty's Government in the United Kingdom."

Sir, I make this motion in pursuance of an undertaking I gave to the House during the course of the Ottawa debate. I need only say, Sir, that the programme I visualise is something like this. The report which Government are to prepare according to the recommendation of the Committee of this House will, I hope, be ready some time in June. The commercial statistics for the year ending 31st March will, of course, be available, some time in April, but the agricultural statistics will, I fear, not be available until some time in May. As soon thereafter as they are

[Sir Joseph Bhore.]

available, the report contemplated by the Committee will be prepared and will then be circulated to all individual members of the Committee which may be set up by this House. After receiving the report, if Honourable Members of the Committee desire any further information or wish for its collection in any particular form and make a reference to the Government of India, every attempt will be made to meet them. Thereafter, Sir, it is proposed to hold a meeting of the Committee to consider the report during the Simla Session.

Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Motion moved:

"That this Assembly do proceed to the election, in such manner as may be approved by the Honourable the President, of a Committee of the Assembly consisting of 12 Members in accordance with the recommendation contained in paragraph 19 of the Report of the Committee set up by this Assembly on the 10th November, 1932, which was approved by a Resolution of the House adopted on the 6th December, 1932, on the subject of the Trade Agreement concluded at Ottawa between the Government of India and His Majesty's Government in the United Kingdom."

Mr. S. O. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I should like to draw the attention of Government to only one fact as regards voting for these Committees. Government have got a majority of votes, almost two to one, at this far-end of the Session due to the absence of the elected Members. And the voting being generally by the method of single transferable vote, I appeal to Government that they should not issue any instruction for voting through their Official Whip who cares more for securing votes and not to have the ablest men elected in the Committee. It is in the interest of Government as well as of this House that the best men should be elected. But the viewpoint of a Whip or a Deputy Whip is generally to demoralise the Parties by supporting the candidature of Members of Parties who have failed to secure selection by the Party and thus the real purpose of having the ablest men elected is frustrated. I appeal to them not to misuse their strength of voting in this House.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, in this connection I want to suggest that this is a very important Committee, and, in this Committee, we are to examine some important questions. So it is better that this Committee should be formed by the votes of the elected Members only, and I request Government not to interfere in this matter, but to leave this matter in the hands of the elected Members of the House.

The Honourable Sir Brojendra Mitter (Leader of the House): Sir, I object to the suggestions which have been made by my Honourable friends, Mr. Mitra and Mr. Maswood Ahmad. We have 140 Members in the House and if Members opposite are not present to exercise their franchise, that is no reason why we should not exercise our franchise. Every Member, be he a Government Member, a Nominated Member or an Elected Member, has the same right of vote; and I deprecate the idea that because a Member is a Government Member or a Nominated Member, he should not exercise the franchise which the law has given him.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, I think there is a misunderstanding. What I understood Mr. Mitra to mean was that he requested Government Whips not to canvass votes amongst the Party Members for any certain candidate that may want to stand in the Party itself. There may be differences of opinion in the Party

Mr. Gaya Prasad Singh (Muzaffarpur cum Champaran: Non-Muhammadan): Why should Party Members be so weak as to be seduced in this way?

Sir Cowasji Jehangir: That is what Mr. Mitra meant. How far his remarks were justified I do not know, but I do not think Mr. Mitra meant to say that Government Members should not vote or use their franchise which they have every right to do being Members of this House.

The Honourable Sir Brojendra Mitter: The remedy is Party discipline: that is the only legitimate remedy.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, if I understood the Leader of the House aright, it is quite possible, if they choose that Government might nominate their own men, Mr. Hardy and Mr. Sloan for instance, and in view of the absentees among non-officials, it would be quite possible that they might be elected. I do not understand why a distinction should not be made between the Government Members and the Elected Members as far as

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Chair cannot allow a discussion as to how Government Members ought to exercise their vote, as it is absolutely irrelevant to the present motion. If it is the intention of Honourable Members that the election of this Committee should be confined to either Elected Members or Non-Official Members, it was open to them to move an amendment in this matter; just as, for instance, in the Public Accounts Committee, the election is confined only to Non-Official Members. But to say how the Government Whip ought to behave or how Government are to exercise their vote is beside the point and is not relevant to this motion.

Mr. K. P. Thampan: Sir, I propose that the election should be confined to Non-Official Members.

Mr. President (The Honourable Sir Shanmukham Chetty): It cannot be proposed in this haphazard fashion. The motion is before the House, and due notice ought to have been given.

The question is :

"That this Assembly do proceed to the election, in such manner as may be approved by the Honourable the President, of a Committee of the Assembly consisting of 12 Members in accordance with the recommendation contained in paragraph 19 of the Report of the Committee set up by this Assembly on the 10th November, 1932,

[Mr. President.]

which was approved by a Resolution of the House adopted on the 6th December, 1932, on the subject of the Trade Agreement concluded at Ottawa between the Government of India and His Majesty's Government in the United Kingdom."

(After the division bells had rung.)

Mr. M. Maswood Ahmad: Sir, I want to say that we received these papers only last night and it was not possible for us to hand in amendments to this motion, and, for this reason, I could not give notice of an amendment that the election should be made only by the elected Members.

Mr. President (The Honourable Sir Shanmukham Chetty): The agenda had been circulated to Honourable Members on the night of the 12th.

Some Honourable Members: Many of us received it only last night.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair is assured that the agenda was circulated to Honourable Members on the 12th night.

Mr. M. Maswood Ahmad: Even if it was so, Sir, it was not possible for us to give in amendments as yesterday was a holiday.

Mr. Gaya Prasad Singh: Sir, in view of the uncertainty as regards the time at which some of us are said to have received notice,—I am not sure myself when I received the notice—would I be in order in proposing that the consideration of this motion may be postponed till opportunity is given to other Members to bring forward amendments that the election should be confined only to Non-Official Members?

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair apprehends that to accede to that request would be setting a very dangerous precedent. For one thing, the Chair has been informed that the motion relating to the setting up of this Committee has been the subject matter of discussion and negotiation between the Honourable the Commerce Member and Party Leaders for some time, and the Chair has no reason to doubt the statement made by the Assembly Office that the agenda was circulated to Honourable Members on the 12th night. If Honourable Members really thought that the notice was not sufficient, then they ought to have raised that objection as soon as the Honourable the Commerce Member made his motion. This question arises as a sort of subsidiary question, and to raise it on that issue and to ask the Chair to postpone the consideration of it after the division bell has rung would be to create a very dangerous precedent, which it would not be proper for the House to adopt. Under these circumstances, the Chair has no alternative but to put the question to the vote.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Arising out of your remarks, Sir, is the question whether, in the course

of discussion between Party Leaders and the Honourable the Commerce Member, this particular point on which the Opposition seems to feel strongly was made at all—I would like to know that.

Mr. President (The Honourable Sir Shanmukham Chetty): Honourable Members know perfectly well that, except in connection with the Public Accounts Committee, in the case of every other Committee every Member of the House takes part in the voting, and if the Party Leaders and representatives felt that a different procedure ought to be followed in this case, surely they would have devoted their attention to this point.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): The point on which we had conversation with the Honourable Member in charge of the matter was as to whether the Committee should be of this House alone or a Joint Committee of the Council of State and this House. That was the point really for consideration, and there was nothing else considered.

Mr. President (The Honourable Sir Shanmukham Chetty): In any case the Chair thinks there is not sufficient ground for deviating from the recognised practice of putting the question after the division bell has rung. The Chair may just mention this: it is to ensure that every Group and Party will have its due representation that the system of proportional representation has been devised. Where there is simple voting, any Group, that is in a majority, could secure all the seats on a Committee; but the fundamental object underlying proportional representation is that it ensures to all minority Groups and Parties fair representation on a Committee. If only the Parties will see that their members exercise their right properly, there would be no point for complaint.

Mr. S. C. Mitra: The only point was that Government had no business to adopt our Members as their candidates and thus demoralise the party system here.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That this Assembly do proceed to the election, in such manner as may be approved by the Honourable the President, of a Committee of the Assembly consisting of 12 Members in accordance with the recommendation contained in paragraph 19 of the Report of the Committee set up by this Assembly on the 10th November, 1932, which was approved by a Resolution of the House adopted on the 6th December, 1932, on the subject of the Trade Agreement concluded at Ottawa between the Government of India and His Majesty's Government in the United Kingdom."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair would inform Honourable Members that, for the purpose of election of Members to the Committee on the Ottawa Trade Agreement, the Assembly Office will be open to receive nominations upto 12 Noon on Monday, the 16th April, and that the election, if necessary, will, as usual, be held in the Secretary's Room on Wednesday, the 18th April, 1934. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE INDIAN TARIFF (TEXTILE PROTECTION) AMENDMENT BILL.

Mr. President (The Honourable Sir Shanmukhām Chetty): The House will now resume consideration of the Indian Tariff (Textile Protection) Amendment Bill.

The other day Sir Cowasji Jehangir had moved his amendment*. The Chair has no objection if Mr. Thampan wants to move his amendment: also simultaneously and have a discussion on both amendments; but the Chair proposes to put Sir Cowasji Jehangir's amendment to the vote first, and then put Mr. Thampan's amendment.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, as directed by you, I will address myself both to Sir Cowasji Jehangir's amendment as well as the amendment I propose to move myself. The amendment standing in my name is this:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158E, for the figures and words '50 per cent. *plus* two rupees' the figures and words '83 per cent' be substituted."

The House is aware that the Tariff Board recommended a uniform *ad valorem* duty of 83 per cent on all silk goods. But the Government in the meantime brought forward a different proposal levying a specific duty of varying nature according to the kind of silk goods. The Select Committee, however, thought that it would work as a hardship, and, therefore, levied a uniform duty of 50 per cent *ad valorem plus* two rupees per pound. That proposal would work out on an average at 96 per cent on Chinese goods and 78½ per cent on Japanese goods. So you will find there is a disparity of 17½ per cent between the duty on Japanese goods and Chinese goods. If my proposal of 83 per cent *ad valorem* is adopted, the Japanese goods will have to pay 4½ per cent more, while on the other hand, the duty on Chinese goods will be reduced by 13½ per cent. It will be levying a uniform rate as recommended by the Tariff Board. On the other hand, if you accept the proposal of Sir Cowasji Jehangir, which I have worked out, you will find that an average of 78½ per cent would be levied on the Japanese goods, while on the Chinese goods the duty would remain 96 per cent, because Sir Cowasji Jehangir's proposals do not affect the Chinese goods. That will make the gap wider. If, therefore, Sir Cowasji Jehangir will kindly accept my amendment as an amendment to his amendment and incorporate the following

*"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 158E the following be substituted :—

158E.	Fabrics not otherwise specified containing more than 90 per cent. of silk, including such fabrics embroidered with ial silk—		
(i)	Pongee . . .	<i>Ad valorem</i>	50 per cent. <i>plus</i> one rupee per pound.
(ii)	uji, Boseki and corded (excluding white cord).	<i>Ad valorem</i>	50 per cent. <i>plus</i> one rupee and eight annas per pound.
(iii)	Other sorts . . .	<i>Ad valorem</i>	50 per cent. <i>plus</i> two rupees per pound."

three items in his amendment, namely, ghatpot, gauze, paj and sateen under one rupee per pound category, and crepe under Rs. 1-8-0 and embroidered hosiery under Rs. 2 per pound, that will go a long way to reduce, this difference and discrimination against Chinese goods. . . .

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Include what did you say?

Mr. K P. Thampan: Canton silks such as sateen

Sir Cowasji Jehangir: Is that in the Schedule?

Mr. K. P. Thampan: That is my amendment.

Sir Cowasji Jehangir: Do those items appear in the Customs Schedule?

Mr. K. P. Thampan: I do not know. If they are not, we must include them. I shall repeat; to item No. (i) Pongee and ghatpot, gauze, paj and sateen and in item No. (ii) Fuji, etc.; crepe should be added, and, in the third category, namely, other sorts, should be added embroidered hosiery. If that is done, the anomaly will disappear, and I shall have no objection to accept that amendment.

Sir, I should say that as compared with the original proposals of the Government, the proposals adopted by the Select Committee are certainly better, but still as the canton goods are generally heavier, there is a large variation. If my proposal is accepted, there is only the difference in regard to 33 per cent tariff value and two rupees, because the 50 per cent is common, and with regard to the 33 per cent, the difference would depend on the margin between specific duty and one-third of the tariff value. In most cases, there may not be any difference at all. I only want that the duty should be made equitable and even. The canton goods are cheaper, and generally do not come into competition with Indian made goods. This is a protection measure, and so long as they do not come into competition with Indian goods, there is no necessity to differentiate between the same class of goods, and encourage the import of Japanese goods, because, to the extent that we increase the cost of Chinese goods, they will be replaced by Japanese goods.

One point in connection with this Bill ought not to be forgotten. It is entirely due to the depreciation of the yen that this cut throat competition has arisen, but, so far as the Chinese dollar is concerned, it has not depreciated; on the other hand, it has appreciated during the last two or three years. The effect of levying this rate will be practically depriving the consumer of this kind of goods and asking him to purchase Japanese goods. That is not, I daresay, the idea of this Bill. And, Sir, I may say that the Tariff Board has given due consideration to all aspects of the question and recommended a uniform rate of 83 per cent. I consider that the Tariff Board is an expert body, specially constituted for this purpose, and the line of argument they have adopted in coming to their conclusion and their decisions ought to be final, unless we find that they based their conclusions on entirely wrong data. . . .

[Mr. K. P. Thampan.]

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury)].

I, therefore, recommend and move that the proposals of the Tariff Board, namely, 83 per cent *ad valorem* duty on silk goods be accepted by this House. Sir, I move.

Sir Cowasji Jehangir: Mr. Deputy President, since I have not spoken on Mr. Thampan's amendment, may I be allowed to speak again?

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Let the Chair read the amendment first to the House.

Further amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158E, for the figures and words '50 per cent. *plus* two rupees' the figures and words '83 per cent' be substituted."

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, in this connection I want to point out that the amendment moved by my friend, Sir Cowasji Jehangir, is inter-connected with Item No. 158F, and, as my friend has proposed a change in No. 158E, I think there must be some change in 158F as well. Sir, first of all, I want to suggest that the present rate for Pongee, Fuji, Boseki and other articles is 50 per cent *ad valorem*, and for pongee it was 50 per cent. Then, in the Bill, it was proposed that the rate for Pongee should be 50 per cent *ad valorem* or Rs. 3 per pound, whichever is higher, and for Fuji 50 per cent or Rs. 5-12-0 per pound, whichever is higher, and for others, it was proposed 50 per cent or eight rupees per pound, whichever is higher. Then the Select Committee made certain changes, and they have suggested that there must be one universal duty of 50 per cent or Rs. two per pound for all these articles. Then, Sir, the amendment of my friend, Sir Cowasji Jehangir, says that the duty on Pongee should be 50 per cent *plus* one rupee per pound, on Fuji 50 per cent *plus* one rupee and eight annas per pound, and for other articles 50 per cent *plus* two rupees per pound. Items 158E and 158F are inter-connected. The first one relates to fabrics not otherwise specified, containing more than 90 per cent of silk, including such fabrics embroidered with artificial silk, and the latter relates to fabrics not otherwise specified, containing more than ten per cent. and not more than 90 per cent silk. So, in Item No. 158F, the mixture of silk is between ten per cent and 90 per cent, while in Item No. 158E the mixture of silk is above 90 per cent. The main argument of my Honourable friend, Sir Cowasji Jehangir, was based on the tariff value, *i.e.*, of pongee is about Rs. 2-8-0—the tariff value for boseki and fuji is Rs. 4-8-0 and Rs. 4-0-0, for paj, sateen, tafetta, kohatu, Rs. 8-12-0, Rs. 6-0-0, and Rs. 8-0-0, and for other sorts, fancies, Rs. 13-0-0, Rs. 11-8-0, and for Burmese scarves, paj Rs. 31-0-0 and other kinds Rs. 38-8-0. There is difference in the tariff values of these articles, and, therefore, 50 per cent *plus* two rupees a pound becomes excessive for fuji. In the same way, I say that in Item

No. 158F also, there are articles of different tariff values, and if that principle is accepted by the Government, namely, because the tariff value of an article is less, so the duty on that article should be less,—the same principle should be applied for those articles which come under 158F, that is, if the tariff value is less there should be less duty and if the tariff value is more, there should be a higher duty. Further, on articles of mixtures having 90 per cent silk there will be 50 per cent *plus* one rupee per pound, and other articles having less than 90 per cent silk the duty will be 50 per cent *plus* two rupees per pound, and I think the Government are not consistent in this matter. Those articles which have more silk in it like pongee and fuji will be charged at the rate of 50 per cent *plus* one rupee per pound, while those articles which will come under Item No. 158F, though they may have less percentage of silk, say something like 50 or 60 per cent silk, will be charged 50 per cent *plus* two rupees per pound, and that is not consistent. The best course for the Government is instead of adding this specific duty of two rupees or one rupee per pound, they should charge a universal 88 per cent duty as suggested by Mr. Thampan, and in that case they will be consistent. If the Government are going to accept the amendment of my Honourable friend, Sir Cowasji Jehangir, then I think they must first of all consider this point also that those articles which have a tariff value of less than four rupees under Item No. 158F should have a less duty, otherwise they will be inconsistent. I do not find any amendment to this Item, but I want to suggest to Government that they must consider this question.

An Honourable Member: We are on Item No. 158E.

Mr. M. Maswood Ahmad: But the two items are inter-connected, and before Government agree to accept the amendment of Sir Cowasji Jehangir, they must make up their mind on Item No. 158F as well. If they accept the amendment on Item No. 158E and do not make up their mind on Item No. 158F, they will be inconsistent.

An Honourable Member: It is a consequential amendment.

Mr. M. Maswood Ahmad: Yes, that will be a consequential amendment. I say that this is a very important point, and if it is not considered, there will be some loophole and the Government will not be consistent.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Before Sir Cowasji Jehangir is called on to speak, the Chair will permit him only to supplement his remarks, and he must confine himself strictly to the amendment of Mr. Thampan.

Sir Cowasji Jehangir: So far as I can understand Mr. Thampan's speech he was talking about Canton silks. I tried to explain the position when I made a few remarks in moving my amendment. I stated that the Select Committee made amendments to the Bill in order to meet the grievances of the Canton silk importers. They found that by the classification in the Bill the duties on Canton silks had gone up so considerably that justice was due to them, and the only way they thought they could do justice to the Canton silk importers was to have one class of silk, and for which class they suggested 50 per cent *ad valorem plus*.

[Sir Cowasji Jehangir.]

two rupees per pound. I tried to explain, Mr. Deputy President, that the suggestion of the Select Committee resulted in the duty on two classes of silk imported from Japan going up. I also tried to explain that I did not believe it was the intention of the Select Committee to raise the duties on imported silk. Now, I am prepared to show that of the two classes of silk imported from Japan on which the duty went up is the boseki, fuji and corded silk class. I have worked out the duties on this class, and I find that according to the Bill the duty worked out at 66.6 per cent, while according to the Select Committee's Report the duty worked out at 94 per cent. Therefore, I have moved my amendment by which the duty on this class will again come down to about 84 per cent.

Then, the second class I deal with is the class called pongee. The duty on that, according to the Bill, would have been 320 per cent. According to the Select Committee's Report, it would have gone down to 130 per cent. But even a 130 per cent duty was a very high duty, and, therefore, by my amendment, on that class of silk the duty will go down to 90 per cent. I have suggested no further changes, because the duties on all other classes of silk under the Select Committee's Report do not go up as compared with the duties laid down in the Bill, and I saw no reason to move any amendments with regard to those duties. As a matter of fact, in two classes the Select Committee's Report reduced the duty; it raised the duty on other classes, but in none does it go above 83 per cent as suggested by my Honourable friend, Mr. Thampan. On the whole, I am of opinion that my amendment is more favourable to the Japanese importers than my Honourable friend, Mr. Thampan's amendment.

Then, with regard to the Chinese silk imported from Canton, I suggest that the Select Committee came to their conclusions after very careful consideration, and they consider that the duties they propose on Canton silk are fair. I am no expert and I am not here to express an opinion whether the Select Committee's recommendations on Canton silk are fair or unfair.

Now, Mr. Maswood Ahmad has brought in another question and that is the group that we will next discuss, 156F. That group is not before us for discussion just now, but my friend, Mr. Maswood Ahmad, says that it is connected with the group we are discussing. There is something to be said for that. They are connected, for, if you look at the Select Committee's Report, you will find that in 158F they have made changes, because they say they have made certain changes in 158E. But, Sir, the amendments I have suggested are not of such a radical character as to make it necessary to make changes in 158F. I will remind my friend, Mr. Maswood Ahmad, that these mixtures of artificial silk are imports which compete with our Indian silk goods more than anything else and if there is any Honourable Member of this House, who is a champion of home made silk, silk made on hand looms, he will not be a party to making amendments to 158F. These mixtures, so far as I am given to understand, are the qualities that compete most strongly with our silks. Our silks are real silk. These are not real silk, but the Japanese, with their wonderful ability, have manufactured these crepes,

12 Noon.

so that, no one, even if he is accustomed to use silk all his life, will be able to detect that there is a certain percentage of artificial silk in them. Today they are being sold in the markets of India at ridiculously low prices. You will be surprised to hear that a lady showed me a *sari* of artificial silk which cost her Rs. 1-11-0, the whole *sari*, bought in Bombay. When I saw some samples of mixtures, I really did not realise that they were mixtures. Surely you don't want to give any encouragement for the sale of such stuff which can be easily mistaken for silk and which will compete with the growing industry of this country of real silk which, if encouraged, will capture the market in time. I have nothing further to say.

Mr. B. Das (Orissa Division: Non-Muhammadan): After disposing of the heavier side of the protection of the cotton textile industry, it seems the House has got stuck up on the protection of the silk industry. It is not that the House has any difference of opinion over the degree of protection that will be given to the Indian silk fabric, but the question arises whether there is discrimination between two foreign nations, between China and Japan, and whether the duty that the majority report has levied to which I have appended a minute of dissent and in line with which my Honourable friend, Mr. Thampan, has moved his amendment is the more equitable proposition and whether there should be any discrimination against China. The Indo-Japanese Trade Agreement has brought in the "most-favoured-nation" clause agreement over which we had a delightful discourse from my Honourable friend, Dr. Ziauddin Ahmad, and unfortunately the House was no sleepy on Thursday afternoon that it did not listen with that attention and respect to that learned discourse as it would otherwise have done. However, it is a fact that the Indo-Japanese Agreement has brought about the "most-favoured-nation" clause conditions very prominently and as my Honourable friend, Mr. Mitra, the other day alluded, it goes to discriminate against the European countries and the United States. That is the inevitable effect of that Agreement; but here the protection of the sericulture industry does not bring in the "most-favoured-nation" clause treatment, and, yet, silk being a very special article, in which only an expert like my friend, Mr. Hardy, could give us sound advice and opinion which we very much respected in the Select Committee, yet in spite of his advice we find there is discrimination between China and Japan. My Honourable friend, Sir Cowasji Jehangir, no doubt pointed out the case of the Japanese silk goods and tried to justify that his amendment, if accepted, would help the Cantonese piece-goods, over which neither Mr. Thampan nor I am convinced. As I go on developing my arguments, I will prove that there will be still discrimination if we adopt the system of tariff as proposed by the Select Committee or as proposed by Sir Cowasji Jehangir. The majority report removed the sub-division of silk into three classes as provided in the original Bill with varying duties and proposed one general rate of duty for all classes. The sub-division contained in the original Bill has the unintended result of imposing an unfairly heavy duty upon certain kinds of silk fabric as was specified as "all other sorts". So I concede that the majority report has brought the operation of tariff under one scale instead of three scales for silk fabric as was originally proposed in the Bill. There silk fabric was divided into three classes, whether they were Japanese silk or Shanghai silk, and the scale of tariff was 50 per cent or three rupees per pound, 50 per cent or Rs. 5-12-0 per pound and 50 per cent or eight

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rupees per pound according to quality. Now, my Honourable friend, Sir Cowasji, has split this up into three divisions again by introducing new names and new classification. By the time this debate is over, we will be all experts in silk names of China and Japan and I challenge Honourable Members if they know the names of Indian silk manufactured in this country. Sir Cowasji Jehangir has introduced the name of pongee; but, from the list of Cantonese silk merchants, we find that there are ten or fifteen classes of silk which are not included in any of these items, and although Sir Cowasji thinks that the Cantonese silks will not be heavily taxed, I feel otherwise. I shall just read out from the minute of dissent which I appended, where I did point out that there is still discrimination.

"As regards the silk fabrics, protection under new scale of tariff affords almost the same protection as has been recommended by the Tariff Board. Unfortunately the scale of tariff has been so designed as to discriminate against Chinese silk fabrics. From figures supplied to us by the Government and Chinese trades representatives, it appears Japan gets an advantage of 15 to 30 per cent in certain articles. On the other hand, Chinese silk piecegoods have been represented to us to contain size, and, therefore, of heavier weight in certain cases. This is a point that the Executive must scrutinize and if possible so revise the scale of tariff as would not favour Japan against China which country is stated to be a friendly consumer of Indian rice and cotton."

Sir, I found the Government spokesman on the Select Committee wanted to be fair and that Mr. Hardy, being the only expert who knew the difficulties of customs and how the tariff was to be levied, as since the time was short. I thought it was best to leave it to the Executive and give them this mandate that they should not unfairly discriminate against China. Certain classes of Chinese goods are at present charged 33 per cent and 50 per cent *ad valorem*, while the Japanese goods are taxed on a different scale under the Tariff Act. Therefore, the nomenclature of Chinese silk does not find a place in the present Tariff Act and that was the difficulty of my Honourable friend, Mr. Hardy; and when this new amendment was proposed before the Select Committee, it was represented to us that the representatives of Cantonese silk merchants said that they would accept fifty per cent *plus* one rupee. But while Government stated that view, I had my own doubts, because from those representations that were received by us and from those samples that were shown to us, we found Chinese silk to be coarser and of heavier stuff with lots of impurity, and, therefore, thought that tariff valuation on a weight basis would work against China. So, my friend, Mr. Thampan, wants to make it a uniform 83 per cent which is but slightly higher in one or two cases than what Government wanted to give. That is true, it may be higher in one or two cases, but lower in other cases, and the net revenue that will come to the Government will balance up. Sir, the new scale of tariff—fifty per cent *plus* two rupees—according to Mr. Hardy will bring 71 per cent to 100 per cent tariff on Japanese goods and on Chinese goods 65 per cent to 94 per cent. I am quoting Government figures, because my friend, Sir Cowasji Jehangir, has just pointed out that it is working adversely against Japanese goods and not against Chinese goods. I do not see my friend here, but he knows that Japanese silk has no impurity, and has no size put in to add gloss or weight; so, naturally, Japanese silk being of superior quality will not suffer as this inferior quality of Chinese silk would suffer under weight basis. Therefore, it is clear that the duties should be on an

ad valorem basis. If it is on an *ad valorem* basis, still the duty, as at present levied, will be on the market price or *c. i. f.* price, whatever the Almighty God of the Customs Department will rule, but that is immaterial to this House. What we want is that there should be no discrimination against China.

Sir, we have no quarrel with China; China has never dumped goods on this country, nor has China provoked a war. I had the privilege to attend a public meeting last evening and I listened to Mr. Rajagopalacharia, the Great Congress leader, and people were urged to support Mr. Mody's cause—Buy Indian Goods; and Mr. Rajagopalacharia pointed out that Japan is the big giant that has already invaded India and is going to invade more and more. In comparison with Japan, British will be a pigmy, and Britain's influence on the Indian market is ebbing out, while the Japanese influence is increasing every day. If that is so today, then why should this country confer any special privilege on Japan, simply because the experts of the Commerce Department cannot work out a uniform scale of duties and because the nomenclature of Chinese silk cannot be fitted in the scale of items.

Sir, I oppose my friend, Sir Cowasji Jehangir's amendment, because it again brings out that evil which the Select Committee ruled out—which, the Select Committee rightly say, discriminates, and though it wanted to bring out a fairer scale of tariffs, I pointed out in my note of dissent that it is not completely fair. So I appeal to the House to accept my friend, Mr. Thampan's amendment. Of course, if my Honourable friend, the Commerce Member, says that 83 per cent is high, let him suggest a *via media*—let it be 80 per cent or 75 per cent. I would, of course, still protest a little, because the unanimous opinion of the Tariff Board was 83 per cent. We are not here to present a little more money for the pockets of the importers of Chinese or Japanese silks or to seek a larger quantity of Chinese or Japanese silks coming into this country. If we make any error, let it be in the direction of giving a little more protection to the Indian silk fabric.

Sir, there is one point which my friend, Mr. Maswood Ahmad, pointed out, and I was surprised to see that my friend, Sir Cowasji Jehangir, opposed it: he said, "make any change you like in 158E, but do not make any change in 158F ;

Mr. M. Maswood Ahmad: I did not say, "make any change in 158F". I said, "if you change 158E, then 158F should also be changed". I supported Mr. Thampan.

Mr. B. Das: What I was going to point out is that if we make any change in 158E, we have to make consequential changes in 158F. I am in agreement with my friend, Mr. Maswood Ahmad. If pure silk has a particular scale of tariff, how is impure silk to be charged a higher scale of tariff than pure silk,—that is my submission; and I am surprised how Sir Cowasji Jehangir asked the House to put on a higher scale of tariffs on mixed silk. My Honourable friend, Mr. Thampan, suggested that if Government want to consider Sir Cowasji Jehangir's amendment, he would be prepared to accept their *via media*, provided certain silk names—Chinese or Cantonese silk which he named—will be included in that. At that time I noticed both my Honourable friends, the Commerce Member and Mr. Hardy, were too busy getting more particulars from the experts

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in the Government Gallery there, so I do not know whether Mr. Thampan's suggestion was noted which, I found, Sir Cowasji Jehangir was inclined to accept, because he noted the implication of that amendment, because his own only names Japanese silk, and does not include Cantonese silk, but I do not want to go into all this nomenclature here. Suppose tomorrow Japan brings in some other silk and names it Sawada silk, and China brings another silk and calls it Hardy silk. Then Government will have to introduce new nomenclature into the Tariff Act. Therefore, it is better if we proceed on the *ad valorem* basis thus freeing the Customs Department from all troubles. Besides, the Customs Department will not be faced with new modified silk fabrics which may be of the same class of silk as are already included in the tariff scale, but, by its introduction, importers might be trying to evade higher scale of tariff which it ought to pay. I do hope the Honourable the Commerce Member, when he replies, will examine the implications that we are pointing out. There is a common objection to this practice both from this side and the other side. The Commerce Member does not want to discriminate against China nor do we, and it is for his expert, Mr. Hardy, to find out how the scales of tariff should be devised, so that there may be no discrimination against China nor any special favour towards Japan. With these observations, I support the motion of my Honourable friend, Mr. Thampan.

Mr. A. H. Ghuznavi (Dacca cum Mymensingh: Muhammadan Rural): Sir, I support the amendment of Sir Cowasji Jehangir. Before I give you the reasons for doing so, by way of a personal explanation I would like to say that my Honourable friend, Sir Joseph Bhore, said the other day that I accused the Government of not knowing their mind and not knowing their facts in regard to raw silk. I said nothing of the kind. There is not a single word in my speech where I accused the Government of not knowing their mind or not knowing their facts.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways): I never said so. I merely mentioned raw silk as an example illustrating a general proposition which the Honourable Member had made.

Mr. A. H. Ghuznavi: I see. This is the amendment which has been moved by Sir Cowasji Jehangir, and a similar amendment I moved in the Select Committee, which was not accepted. I am glad that where I failed, he has succeeded. The difficulty was this. This class of silk is known as Pongee. It is a very cheap class of silk. In the first Bill, it was not even classified, and it came under the category of other sorts and on other sorts the tariff was *ad valorem* 50 per cent or eight rupees per pound which worked out to 334 per cent. That was revised, and we had this before us when it was put down at 50 per cent *ad valorem plus* two rupees per pound. That also worked out to nearly 280 per cent. Therefore, this is an amendment which is rightly made, because it is a very cheap silk and is used by the masses. Secondly, for the same reason, Fuji, Boseki and corded have also been classified by name. These are also very cheap silks and are used by the masses. Therefore, the duty that has been proposed is a sufficient protection as against the Indian production. As far as my knowledge goes, there is no production of that kind of silk in India.

Then, Sir, there is another remark that I wish to make in this connection. A very serious charge was made in the Tariff Board Report as against the Bengal Government about the Sericultural Department and my Honourable friend, Mr. S. C. Sen, who is unfortunately not here, also pointed out to us in the Select Committee and he has not forgotten to mention that fact in his note of dissent. But, Sir, the fact is conclusive that my Honourable friend had no knowledge at all as to how the Sericultural Department was being worked in Bengal. With your permission, I will place before the House the facts that I have received from Bengal with regard to the charges that have been made in the Report of the Tariff Board. It is a transferred Department, and, therefore, it is under a Minister. The first charge that the Members of the Tariff Board made was as follows:

"We have not had the benefit of receiving adequate assistance from the Bengal Government to enable us to judge exactly the condition of sericulture in that Province or the measure of assistance it receives from Government, because their brief replies to our main questionnaire were received so late that we had no opportunity of examining them when we were in Bengal. From all appearance, however, it is certain that the industry is decaying on account of lack of popular interest and Government encouragement". . . .

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Order, order: The discussion as to what the Bengal Government had been doing and had not been doing with regard to sericulture is not relevant to the discussion on this amendment.

Mr. A. H. Ghuznavi: If that is your ruling, I bow to it. But the amendment before us is with regard to silk and this question was also raised in the Select Committee, so I thought I was in order in referring to the Sericulture Department. However, I shall say what I have to say on this subject on the third reading of the Bill. But I do maintain that this amendment refers to silk and Mr. Sen objected that the silk industry was not being properly looked after by the Bengal Government and so I thought that this was the proper time to bring the real facts to the notice of the House. In the Report it was said that the Bengal Government were not doing anything at all. This is not fair and this is not correct. There is ample evidence to show that the Bengal Government have done quite a lot for this industry and they must be given the credit for this, because they have been spending no less than 2½ lakhs of rupees even now when their financial condition is very bad. Now, Sir, this amendment, to my mind, is a just amendment, and, as I have explained, these silks are used by poor consumers and even 50 per cent *ad valorem* duty plus one rupee per pound will be a very high tariff. I support the amendment moved by Sir Cowasji Jehangir.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadian Rural): Sir, I would like to add a few words to this debate. Sir Cowasji Jehangir, as well as the Honourable Member who has just now resumed his seat, have put the case of Japan. My Honourable friend, Mr. B. Das, and my friend, Mr. Thampan, have put the case of China. Sir, I am not concerned either with Japan or with China as such. As a member of the Select Committee, I must confess that this is a problem of great complexity. It is very difficult to say that I am right and others are not right, or that others alone are right and that we are wrong. In all these matters, we have tried to give our best thought and at the same

[Mr. B. Sitarsmaraju.]

time I venture to submit that that was after all the very best that we could do. We thought when we made those recommendations that we covered fairly all the ground that could be covered keeping in view no specific country, either Japan or China. On the other hand, we had always taken into consideration the fact that China is a very good neighbour of ours, that she was purchasing from us raw materials and articles like that and that we would not be justified in making any discrimination whatsoever as against China herself. Such being the case, one word of explanation is also necessary. When we made these changes in the Select Committee, we found them necessary in consequence of certain changes which we had to make with regard to hosiery where it was considered that the original proposals of the Government with regard to hosiery on the quantity basis was not likely to meet the foreign competition in view of the disparity in the weights of those things. On that analogy, certain changes were made with regard to silk also. When the Government presented their present rate of duty to us, the Select Committee endorsed the same without keeping particularly in view the Canton silk or any other silk for the matter of that. We thought the rate would be able to cover all that. As my Honourable friend, Sir Cowasji Jehangir, himself admitted, by his proposals he is only confining his attention to a particular class of goods and those goods coming only from a particular country, namely, Japan. Whereas, my Honourable friend, Mr. Thampan, is of opinion that if the amendment of Sir Cowasji Jehangir is given effect to, on the same analogy and principle his amendment also should be given effect to, otherwise there would be disparity between the two countries.

Sir, without making further comments, I would like to point out to this House the case which the Canton silks have been making. I was supplied with a copy of their case, and, with your permission, I would just like to point out what they have got to say about it. I do so, because I consider, in a matter of this complexity, we should present the whole case before the Government and the Government with the advice of their experts will be able to come to an understanding with us whether a fair and equitable duty cannot be levied on both without making any discrimination, either the one or the other, because it is not our purpose, and I do admit it is neither the purpose of the Government to make any such discrimination. I would like to present their side of the case and leave it to the Government to consider, with the advice of their experts, both the proposals and decide whether the modification of Sir Cowasji Jehangir on the proposal of the Select Committee made a few days back would be an equitable basis for imposition or not. This is what the Canton Silk Piecegoods Importers Association submit:

"From the customs point of view, the duty on weight basis is sure to prove extremely difficult, onerous and inconvenient, particularly so far as Chinese piecegoods are concerned. Japanese goods are packed differently, but Chinese silk piecegoods are packed in a manner which does not allow of opening packages for clearing the goods, since once these packings are opened the silk pieces cannot be repacked unless a factory for this purpose is established in India, and unless properly repacked they lose their finish and selling price. It was for this reason that hitherto customs authorities always preferred an *ad valorem* duty and Chinese piecegoods have always been assessed on *ad valorem* basis.

The Tariff Board which has been claimed to be a body of experts after due consideration of all the aspects of the case also recommended a duty on *ad valorem* basis and suggested the rate to be 83 per cent. Neither, therefore, considerations of facilities for customs collections nor the recommendations of the Tariff Board support the proposal now put forward by the Government.

We must respectfully submit that the proposed duty does not place Japanese and Chinese piecegoods on an equal footing so far as the incidence is concerned. As will be seen from the attached comparative table the incidence of the duty on comparable Chinese and Japanese piecegoods is much higher in the case of the former and much lower in the case of the latter. This we submit is unfair so far as Chinese piecegoods are concerned and reacts disadvantageously in the interests of the consumer."

Sir, this is the case which they have presented. I would content myself by drawing special notice to this aspect of the case presented by the Cantons in view of the changes which are now proposed to be made by the amendment of Sir Cowasji Jehangir and in view of the representations made by my Honourable friend, Mr. Thampan. I submit that the Government do consider dispassionately these various proposals, and whatever the Government, after due consideration, decide to be an equitable basis in which no country is to be discriminated against another, we shall support such a proposition. It is not a case that we in the Select Committee have made a certain recommendation and that it should not be changed. After all, we do not claim for ourselves all the wisdom in the world. It is quite possible that we have made a mistake and it is up to the Government, with the help of their experts like Mr. Hardy and others, to go into the question a little more carefully and see that no injustice is being done to any particular class. That is all I have got to say.

The Honourable Sir Joseph Bhore: Mr. Deputy President, my Honourable friends opposite are quite right in saying that in this matter, there is no difference in principle between us. The only question is, how we are to give effect to and secure the object that both sides have in view. So far as an *ad valorem* duty is concerned, there are two objections to it. The first is the general objection that an *ad valorem* duty is not as effective a safeguard in times of falling prices as a specific duty. As the Tariff Board have pointed out, an *ad valorem* duty may fail just when it is most needed, that is to say, it becomes less effective when its protection is most wanted. That, Sir, is a general objection to an *ad valorem* duty pure and simple, and I think my Honourable friend, Mr. Das, has on more than one occasion expressed his approval of a specific as against an *ad valorem* duty.

Mr. B. Das: To help the Finance Member.

The Honourable Sir Joseph Bhore: That is the first objection. We would obviously have preferred a straight specific duty, but there is obviously a difficulty here and that difficulty was brought prominently to notice in the discussions of the Select Committee. The difficulty arises when you are applying a single specific rate to a number of goods which differ very greatly in quality and price.

Then, Sir, my second objection to an 83 per cent duty is that it will very largely enhance the duty on the more costly qualities of silk. It is not to our advantage to do so for the reason that those high qualities do not come into any great competition with the silk manufactured in this country and an 83 per cent duty may very well kill that import trade with the result that we shall lose revenue and benefit no one.

Mr. K. P. Thampan: Do we import such things very largely?

The Honourable Sir Joseph Bhoré: Not in very large quantities, but still the import is, I think, not inappreciable. As regards the amendment of Sir Cowasji Jehangir, it seeks to maintain the combination of the *ad valorem* duty with the specific duty, and at the same time it does reduce the incidence on certain classes which, I must confess, had to bear a considerable burden. Now, I sympathise very greatly with the point of view put forward by my Honourable friends who contended that there should be, as far as possible, no discrimination against China in comparison with Japan. But, I think that my Honourable friends were probably labouring under a slight misapprehension. Let us take the classes of goods which are dealt with in the amendment of my Honourable friend, Sir Cowasji Jehangir. Take fuji and borseki. Fuji and borseki do not, as my Honourable friends think, come entirely from Japan. Fuji and borseki are terms applied to silks which come both from China and Japan. Then, Sir, take the other item, corded silk. That is also a general term and most of the silk that comes in under that head is silk from China. Take, again, pongee. Pongee is another general term, and most of the silk that comes in under this head is silk from Japan. Therefore, we have an almost perfect balance of interests if we have this state of affairs. Fuji and borseki come both from China and Japan. Corded comes largely from China and pongee comes largely from Japan. I hope, therefore, that with that explanation, my Honourable friends will be satisfied that we are not really discriminating against China by accepting this motion of Sir Cowasji Jehangir.

Mr. B. Das: None of these items include Cantonese silk; they are all Shanghai silk. ;

The Honourable Sir Joseph Bhoré: That may be, but I am talking generally of Chinese silk. I will admit that there are one or two classes of Chinese silk which may be somewhat heavily hit by being classed under "Other sorts" and having to pay a duty of 50 per cent *plus* two rupees. I think, as far as my information at present goes, those classes will be limited probably to two. But I give an assurance to the House that we will very carefully consider those classes and if we find that that rate of duty is bearing too heavily upon them, we shall have no hesitation in coming and asking this House, if necessary, to reduce the duty.

One other point only remains, and that is in regard to mixtures. My Honourable friend, Mr. Maswood Ahmad, was quite right theoretically when he said that when we make this change in respect of silk, we ought also to make a corresponding change in the other item. But as a matter of fact, I do not think that any change is necessary there, for most of these mixtures practically are of the nature of or simulate the high quality silks. As was rightly pointed out by my Honourable friend, Sir Cowasji Jehangir, they come into very close competition with fabrics turned out by the handloom weaver. In those circumstances, Sir, I personally have no hesitation whatsoever in keeping the duty as it stands in the Bill as recommended by the Select Committee, and I do not think that any alteration is necessary in that respect. Sir, I am prepared to accept the amendment of my friend, Sir Cowasji Jehangir. ;

Mr. K. P. Thampan: Sir, may I ask my Honourable friend whether he has any objection to accept my amendment to Sir Cowasji.

Jehangir's amendment? It is that under item (i) imposing one rupee and 50 per cent *ad valorem* Ghatpot, Gauze, Paj and Sateen may be included; under item (ii) which imposes Rs. 1-8-0 besides 50 per cent *ad valorem* crepe may be included; and under item (iii) which imposes two rupees besides 50 per cent *ad valorem* embroidered hozaria may also be included. I think that will cover the whole field.

The Honourable Sir Joseph Bore: My Honourable friend must know from his experience in the Select Committee how extremely complicated this question is. It is utterly impossible for me here and now at a minutes' notice to accept an important amendment which may have very serious consequences indeed. I shall be very happy, if he will make the suggestion to the Commerce Department, to have it very carefully considered, and I will deal with it in connection with the assurance that I have just now given in respect of the two qualities of Chinese silk which I think may possibly be very hard hit, under our present classification.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 158E the following be substituted:

* 158E	Fabrics not otherwise specified containing more than 90 per cent. of silk, including such fabrics embroidered with artificial silk—		
	(i) Pongee	<i>Ad valorem</i> .	50 per cent. <i>plus</i> one rupee per pound.
	(ii) Fuji, Boseki and corded (excluding white cord).	<i>Ad valorem</i> .	50 per cent. <i>plus</i> one rupee and eight annas per pound.
	(iii) Other sorts	<i>Ad valorem</i> .	50 per cent. <i>plus</i> two rupees per pound'."

The motion was adopted.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The amendment moved by Mr. Thampan now automatically falls through.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I move:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 158F (i), the words 'or artificial silk or of both' be omitted."

Sir, I do not want to repeat the arguments which I urged on the floor of the House day before yesterday. The intention of my motion is that artificial silk should be treated as cotton and not as silk. Sir, I move.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 158F (i), the words 'or artificial silk or of both' be omitted."

The Honourable Sir Joseph Bhore: Sir, I will follow the excellent example of my Honourable friend and say that I have no desire to add to what I have already said on this matter. I oppose the amendment.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 158F (i), the words 'or artificial silk or of both' be omitted."

The motion was negatived.

Dr. Ziauddin Ahmad: Sir, I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 158F (ii), the words 'or artificial silk or of both' be omitted."

My argument is the same as I have already said. Sir, I move.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 158F (ii), the words 'or artificial silk or of both' be omitted."

The Honourable Sir Joseph Bhore: Sir, I oppose the motion.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 158F (ii), the words 'or artificial silk or of both' be omitted."

The motion was negatived.

Dr. Ziauddin Ahmad: Sir, I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158G (i) (b), for the figures '50' the figures '40' be substituted."

My reasons are the same as I gave the other day that there should be preference to British goods to the extent of ten per cent and not 25 per cent. I gave sufficient arguments last time, and now I need not repeat them. Sir, I move.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158G (i) (b), for the figures '50' the figures '40' be substituted."

The Honourable Sir Joseph Bhore: Sir, I dealt with this matter when my Honourable friend moved a similar amendment the day before yesterday, and I do not think that there is any necessity for me to add to what I said on that occasion. I oppose the amendment.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158G (i) (b), for the figures '50' the figures '40' be substituted."

The motion was negatived.

Mr. A. H. Ghuznavi: Sir, I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158G (i) (b), for the figures and words '50 per cent or 3½ annas' the figures and words '40 per cent. or 2½ annas' be substituted."

I consider that 40 per cent or 2½ annas is sufficient protection: hence I move.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158G (i) (b), for the figures and words '50 per cent or 3½ annas' the figures and words '40 per cent. or 2½ annas' be substituted."

The Honourable Sir Joseph Bore: Sir, I dealt with all relevant matters connected with Amendments Nos. 24 to 27 the day before yesterday and I pointed out that, in recommending lower rates of duty, Honourable Members had not established the case that those lower rates of duty were sufficient to secure to the industry the protection that was necessary, and that for that reason I would have to oppose the amendments. I have nothing further to add. I oppose the amendment.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158G (i) (b), for the figures and words '50 per cent or 3½ annas' the figures and words '40 per cent. or 2½ annas' be substituted."

The motion was negatived.

Mr. A. H. Ghuznavi: Sir, I move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158G (ii) (b), for the figures and words '50 per cent or 4 annas' the figures and words '40 per cent or 3 annas' be substituted."

For the same reasons that I gave when moving the previous amendment, I consider this as sufficient protection and I move.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158G (ii) (b), for the figures and words '50 per cent or 4 annas' the figures and words '40 per cent or 3 annas' be substituted."

The Honourable Sir Joseph Bore: Sir, I oppose the amendment for the reasons that I have already given.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158G (ii) (b), for the figures and words '50 per cent or 4 annas' the figures and words '40 per cent or 3 annas' be substituted."

The motion was negatived.

Mr. A. H. Ghuznavi: Sir, I move: }

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158H (b), for the figures '50' the figures '35' be substituted."

I consider that 35 is sufficient protection.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved: :

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158H (b), for the figures '50' the figures '35' be substituted."

The Honourable Sir Joseph Bhoré: Sir, I oppose the amendment.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 158H (b), for the figures '50' the figures '35' be substituted."

The motion was negatived.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Sir, I move:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 158J, for the words 'Sateens, italians' the words 'Sateens, including italians of Sateen weave' be substituted."

My amendment is of a very simple character. Under the Bill, there is a duty of 25 per cent in respect of British goods and 35 per cent in respect of non-British goods coming under the category of Sateens, italians, velvets and velveteens and embroidered all-overs. As the word "italians" stands, it is calculated to include a great many varieties which are not really italians, but which are commonly known as italians. My amendment seeks to confine the meaning of the word to what it actually should be, namely, italians of sateen weave. The amendment is of a formal character, and I move.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 158J, for the words 'Sateens, italians' the words 'Sateens, including italians of Sateen weave' be substituted."

The Honourable Sir Joseph Bhoré: Sir, I understand that this is not an amendment of substance and that it is only intended to clarify the position and make our intention quite clear in this matter. I accept on behalf of Government the amendment proposed by Mr. Mody.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 158J, for the words 'Sateens, italians' the words 'Sateens, including italians of Sateen weave' be substituted."

The motion was adopted.

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 158L, the following be added at the end :

'Fleecy undervests'."

My reasons are that this article of wear stands exactly on the same footing as the articles enumerated in 158L: a long list is given under that heading, but fleecy underwear is omitted. My submission is that this also should be taxed at the same rate as the duty on cotton articles that come under 158C: but if they are omitted here, it appears that they will be hard hit and the duty on these articles will be so high as to affect the agriculturists very much.

Mr. M. Maswood Ahmad: Will you please explain what is fleecy undervests?

Maulvi Muhammad Shafee Daoodi: They are undervests which are generally worn by the agriculturists in the winter season: it is a *ruidhar* banian, a banian which has got a cotton fleece underneath. I have seen samples of it and I find that a dozen of these undervests, of Japanese design, costs Rs. 4-3-7, weighing six pounds. The present duty on this article is Rs. 1-8-0 per dozen, according to the Tariff Board Report at p. 198, serial No. in the Schedule 100, or the *ad valorem* rate of revenue duty whichever is higher. That was all right; but now the proposal is to raise it to 12 annas per pound which works out to Rs. 4-8-0 a dozen, as a dozen weighs six pounds. This increase in the duty makes it very dear for the poor people. That is the reason why I say that it should be included in 158L in the list of articles enumerated there. I hope this matter will receive the kind attention of the Honourable the Commerce Member; and, just as the other points raised by Sir Cowasji Jehangir and Mr. Mody have been accepted by him, I hope he will see his way to give some relief to these poor people who generally wear it and who will be unnecessarily taxed so high, when there is so much depression in their income and the price level of their articles is not going to be raised a bit higher.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): Amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, in the second column of the proposed Item No. 158L, the following be added at the end :

'Fleecy undervests'."

Dr. Ziauddin Ahmad: Sir, I rise to a point of order: will it not be convenient if 158L and 158M be not disposed of till 158O is finished, because these are really consequential to what we shall decide about 158O and I have some points of order to raise when 158O is taken up: therefore, I suggest that 158O may be taken up first.

Mr. Deputy President (Mr. Abdul Matin Chaudhury): What is the point of order?

Dr. Ziauddin Ahmad: I just want to suggest that amendments under 158L and 158M are consequential to the proposal under 158O about hosiery because when the question of hosiery is settled, the question of the several kinds of hosiery will also be settled.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

Therefore, I would suggest that we take up 1580 first.

Mr. President (The Honourable Sir Shanmukham Chetty): Is there any 1 P. M. objection to that?

The Honourable Sir Joseph Bhore: No, Sir, I have no objection.

Mr. President (The Honourable Sir Shanmukham Chetty): Which amendment has been moved?

Maulvi Muhammad Shafee Daoodi: I have moved my amendment, Sir.

Mr. President (The Honourable Sir Shanmukham Chetty): Maulvi Muhammad Shafee Daoodi has moved his amendment. . . .

Dr. Ziauddin Ahmad: I have raised a point of order that this should be taken afterwards.

Mr. President (The Honourable Sir Shanmukham Chetty): Dr. Ziauddin Ahmad wants it to be postponed? Is that so?

Dr. Ziauddin Ahmad: Yes, Sir; it should be postponed, and it can be taken up after No. 1580 has been disposed of.

Mr. President (The Honourable Sir Shanmukham Chetty): Yes, we can keep that in abeyance. There is nothing wrong in it. It can be kept in abeyance for the present.

Then, which is the next amendment, Mr. Ghuznavi's?

Dr. Ziauddin Ahmad: Sir, I rise to a point of order again. I consider that the discussion of hosiery at this stage is out of order and against the Standing Order. Standing Order 31 clearly says this:

"A motion must not raise a question substantially identical with one on which the Assembly has given a decision in the same Session."

Now, the Assembly has given a decision in the same Session. Then, the Standing Order says:

"Provided that nothing in this Standing Order shall, unless the President in any case otherwise directs, be deemed to prevent the making of any of the following motions, namely:

(a) a motion for the taking into consideration or the reference to a Select Committee of a Bill, where an amendment has been carried to a previous motion of the same kind to the effect that the Bill be circulated or re-circulated for the purpose of eliciting opinions thereon;

(b) any motion for the amendment of a Bill which has been re-committed to a Select Committee, or re-circulated for the purpose of eliciting opinions thereon;

(c) any motion made as the result of a conference under rule 40;

(d) any motion for the amendment of a Bill which is consequential on, or designed merely to alter the drafting of, another amendment which has been carried;

(e) any motion for the amendment of a Bill made after the return of the Bill by the Governor General for re-consideration by the Assembly;

(f) any motion which has to be or may be made within a period determined by or under the rules or standing orders."

Now, I draw the attention of the House to the rule that "a motion must not raise a question substantially identical with one on which the Assembly has given a decision in the same Session". Sir, in this Session the Assembly has given a decision that the duty on hosiery shall be Rs. 1-8-0 per dozen, and now the same question is raised in another form on the floor of the House by my friend who repeatedly said that he was not going beyond what was recommended by the Tariff Board, and the Board recommended Rs. 1-8-0 per dozen, while by the amendment proposed, a different method of calculation is suggested. He said time after time that this motion was the same, and, instead of suggesting so much per dozen, it suggests so much per pound, but only the classification is different. Therefore, we cannot say that it is not substantially the same motion, simply because a different method of calculation has been introduced. Therefore, I maintain that the motion before us is substantially the same as the previous one, which is practically equivalent to Rs. 1-8-0 per dozen which we have already passed. So far we have been discussing the Bill as a whole and I could not raise this objection, but when we come to this particular item, which has already been discussed and disposed of by the Assembly, and which is substantially the same as we have passed on the 13th February, 1953, I maintain, Sir, that, according to this clause in the Standing Order, any further discussion on this amendment is out of order.

The Honourable Sir Brojendra Mitter (Leader of the House): Sir, I submit that Standing Order No. 31 has no application to this case. The motion before the House is that the Schedule do stand part of the Bill. Therefore, you have to see whether the Schedule which is now before the House is substantially identical with the Schedule to the previous Bill. That is the question. It is not whether one particular item there is the same or not. That is not the question. The broad question is whether the Schedule to the present Bill is substantially identical with the Schedule to the previous one, and if you, Sir, compare the two Schedules, you will find they are substantially different, except that there is only one item which is common to both, that is hosiery. Except that one item, the Schedules are entirely different. That is the broad question.

Then, coming to the details, Sir, if we were considering only this particular item, then my submission would be that the really substantial question is what should be the incidence of taxation. In the previous Bill, we say that the incidence of taxation should be so and so on a dozen basis, and now we say that the incidence of taxation should be on a weight basis. Even on the particular item the issues are different. But I need not argue on that basis. I put my case on the broader basis that the two Schedules are substantially different.

Sir Abdur Rahim (Calcutta and Suburbs: Muslimmadan Urban): Sir, as regards the explanation given by my Honourable friend, the Leader of the House, I think he goes too far. He says that the motion before the House is that the Schedule to the Bill be taken into consideration. But what is the Schedule? The Schedule contains a number of items. Now, supposing a decision has already been reached on one particular item. Is it the contention of Government that if you put it in another Schedule, you can have the same decision re-opened in the same Session? Surely, that is not the meaning of the phrase "substantially the same motion". The same question is raised, and it is something like *res judicata*.

[Sir Abdur Rahim.]

When a Court has decided a certain point, you cannot re-open it unless it is set aside by a higher Court. Here, I think, it seems to be a very wholesome rule that in the same Session you cannot move the same question over and over again. It does not matter if there are a number of items in the Schedule, for you cannot say by inserting certain items which have already been decided upon that because there are other items in the same Schedule, therefore the motion becomes different. We must look at each item. The question is whether a certain item has been decided upon or not. What was the question with regard to hosiery? Surely, the question was whether there should be a protective duty or not. The House has decided that there should be such a duty, and, I take it, according to this Standing Order, the question is settled so far as this Session is concerned. Supposing the House has decided that the duty should be 25 per cent *ad valorem* and in the same Session you bring forward another motion that it should be 30 per cent. *ad valorem*. As if that is not enough, supposing that again, on a third occasion, in the same Session, you bring in another motion that the duty shall be 40 or 50 per cent *ad valorem*, surely that is not the intention of the Standing Order, for if Government can go on like that, there would be no finality to any matter. It is to set at rest the question so far at least as one particular Session is concerned that this Standing Order has been enacted, and I submit that the explanation given by my Honourable friend, the Leader of the House, is far too technical and does not meet really the scope and intention of the Standing Order.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muham-madan): If we turn to clause 2 of the Bill, we find it reads as follows:

"The amendments specified in the Schedule to this Act shall be made in the Second Schedule to the Indian Tariff Act, 1894."

Consequently, what we are dealing with is the amendment to Tariff Act of 1894, and, if we turn to the Schedule, we find that the Schedule as such has no independent existence apart from the amendments, because the Schedule says:

"See section 2. Amendments to the Second Schedule to the Indian Tariff Act, 1894."

Therefore, if we read clause 2 of the Bill, each amendment has an independent existence, and the mere fact that they are collated under one Schedule cannot deprive them of that independent existence. As a matter of fact, each motion under each particular head amending the corresponding item of the Indian Tariff Act is separately moved and is, therefore, subject to separate amendment. That being the case, the amendment to Item No. 1580, namely, dealing with hosiery, raises the question whether a similar motion is not barred by a previous decision given in this Session. I submit the answer is plain. The motion that this amendment stand part of the Bill has to be independently moved and must be independently moved under clause 2 of the Bill. If it has to be independently moved, it is a motion, and that motion, therefore, if it is barred, must be barred, because there is a decision of this House on a substantially the same question. That, I submit, narrows the whole point to this: Is the motion that this do stand part of the Bill—has been

the subject of a decision of this House before? And I think the Honourable the Leader of the House admits, at any rate, acquiesces in the view advanced by Dr. Ziauddin Ahmad that it has already been the subject of a previous decision. In that view I think that the Standing Order does bar a re-agitation of the same question by this House in the same Session.

Mr. F. E. James (Madras: European): May I make one observation? I differ from my Honourable friend, Sir Hari Singh Gour, with very great respect and diffidence, but, surely, in dealing with this motion and the motion which was moved earlier in the year and accepted by the House, we must take into consideration the purposes of those motions. I respectfully suggest that it is impossible to regard each individual item in the Schedule as an isolated and unrelated item. My Honourable friend quoted from clause 2 of this Bill. What is the purpose of the Bill of which clause 2 forms a part? The purpose is to amend the Indian Tariff Act, 1894:

"for the purpose of affording protection to the sericultural industry and to the cotton and silk textile industries in British India and for certain other purposes."

I am speaking from recollection, but I think I am right in saying that the other Bill, of which the other motion formed a part, was a Bill for the purpose of safeguarding certain industries, and it was made clear at the time that that purpose was a particular purpose, having regard to certain circumstances. The purpose of this Bill is protection to certain industries as a result of the finding of the Tariff Board. I suggest to you if the interpretation which has been given by various Honourable Members in this House is accepted, then it might debar for a long time any legislation in pursuance of a report of the Tariff Board if there happens to have been a temporary measure affording temporary safeguarding protection or temporary protection to a particular industry. What I suggest is that the underlying purpose of this Bill must be taken into account in dealing with this particular motion, and, if it is taken into account, it will be seen that the purpose of this motion is different from the purpose of the other motion which was passed by this House earlier this year.

Raja Bahadur G. Krishnamachariar: (Tanjore *cum* Trichinopoly; Non-Muhammadan Rural): It seems to me that my Honourable friend, Mr. James, did not quite follow the substance of the position here. Supposing that instead of having so many articles in this Schedule there was only one, and that is 1580, will not that item by itself result—and I submit that is the crucial test—is that or is that not amending the Schedule? Would it not be called amending the Schedule all the same? Starting from that position, the question is whether this identical subject had not been substantially decided by a previous decision of this House in *this Session*. This Session is the important thing. Mr. James seems to have forgotten it.

Mr. F. E. James: No, not at all.

Raja Bahadur G. Krishnamachariar: I do not understand what difference there can be in principle. The question is not whether the object is safeguarding or protecting, the question is whether this thing has been decided in this Session or not. Here is an individual item of hosiery.

[Raja Bahadur G. Krishnamachariar.]

That item has been subjected to a duty, call it safeguarding duty or protecting duty, call it by any name you like, this House came to a decision which interpreted in ordinary common parlance would mean that it has decided that a certain duty shall be imposed upon it, never mind what the object is. Having done that, this House is again called upon to alter that duty in this Session whether it is something more or even something less. I say, either way it cannot be held to be a new matter, and the fact which I submit for your consideration is not the purpose for which the Bill is framed, but as to whether this particular item has or has not been subject to a substantial decision by means of that previous enactment. If it has been, I submit, your hands are tied so far as this Session is concerned, and you will have to take it to the next Session.

(Dr. Ziauddin Ahmad rose to speak.)

Mr. President (The Honourable Sir Shanmukham Chetty): Dr. Ziauddin Ahmad has already spoken.

Dr. Ziauddin Ahmad: I want to reply.

Mr. President (The Honourable Sir Shanmukham Chetty): He cannot reply on a point of order.

Mr. H. P. Mody: It may be that this House was called upon earlier in the Session to pronounce a decision with regard to the relief which is required by the hosiery industry, but the issue that was placed before us then was admittedly on different ground from the grounds on which we are asked to decide today. What was the position then? On account of competition from the imported article, the hosiery industry was being very seriously affected. So without deciding whether that industry deserves protection or not, certain immediate temporary relief was given to that industry, but if we are asked a different question, namely, whether we are going to protect the industry for a certain period of years, then we have got to consider various other things, whether the industry stands in need of protection and whether it has satisfied all the requirements laid down by the Fiscal Commission, and so on. The points of view operating on the minds of Honourable Members when deciding these matters are entirely different, and my submission is that what we are asked to decide today is something very different to what we were asked to consider on the previous occasion.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Even if we assume the arguments of my friends, Mr. James and Mr. Mody, that the reasons were different, I should like to place before you another consideration. The main point is whether there should be a duty on this. The arguments may be quite different. The arguments are no part of this Bill, and they cannot form part of a Bill, and whatever may be the reasons, even assuming that there are different reasons, the motion before the House is whether there should be a particular duty on hosiery. On that point, I think the motion is the same, whether the reasons were quite different or not.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

THE MATCHES (EXCISE DUTY) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to present the Report of the Select Committee on the Bill to provide for the imposition and collection of an excise duty on matches.

Sir, I should like to take this opportunity to call your attention to certain incidents in connection with this and other Select Committee Reports and ask you to make such observations as you think fit upon them. I think all Honourable Members will have seen in the Press this morning what purported to be a very full statement of the conclusions of the Select Committee on this Bill. I am afraid it has been a common incident lately for reports to appear in the Press of conclusions arrived at at Select Committee meetings in the course of their proceedings. I feel sure that there is not one Honourable Member who will question it that that is a very undesirable occurrence. It is not only entirely contrary to the procedure which ought to be followed in connection with Select Committee discussions, but it also tends to give very misleading impressions to the public. In this particular case, for example, the report in the *Hindustan Times* had a headline to one of its paragraphs—"Duty to take effect from October 1st". That obviously misleads the public. It is entirely incorrect. I only mention that as showing some of the harm that occurs from a procedure of this kind; but, of course, the main objection is to the publication in the Press of reports of confidential proceedings. You, Sir, have on other occasions had remarks to make on that, and I feel I cannot present this Report without calling attention again to a very undesirable practice.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable the Finance Member has done well to call the attention of the Chair to this improper conduct on the part of a news agency in publishing beforehand an almost *verbatim* report of the Report of the Select Committee on the matches excise. The House might remember that on a previous occasion the Chair appealed for the co-operation of the Press in building up healthy parliamentary conventions in this country, and for that purpose it is essential that the Press should not give publicity to detailed reports of the proceedings of a Select Committee until that report has been actually presented to the House. The Chair is not unaware of the fact that the members of the Select Committee do not take an oath of secrecy, and somehow or other proceedings of Select Committees might leak out. Though a news agency might come into possession of certain information, it is up to them to see that that news is published at the proper time. The House knows that the powers of the Chair and of this House in bringing home this lesson to newspaper agencies is rather limited, but though the powers may be limited, yet the Chair has got powers to bring it home to recalcitrant newspapers and news agencies: and if there is a repetition of this offence—the Chair calls it an offence, because it is a parliamentary offence—the Chair proposes to exercise whatever powers it has got. (Loud Applause.)

THE INDIAN TARIFF (TEXTILE PROTECTION) AMENDMENT BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): With regard to the point of order raised by the Honourable Member, Dr. Ziauddin Ahmad,—the Honourable Member, Maulvi Shafee Daoodi, has got something to say?

Maulvi Muhammad Shafee Daoodi: Yes. The point is that the Honourable the Leader of the House said just now that it was hosiery alone—one of the subjects under discussion—which was decided by the first Bill passed in this House and the same subject is taken up in this Bill also; and if that is admitted, then it appears that a substantial measure which was adopted in the first Bill is going to be discussed in this Bill at the same time; and what appears to me to be very clear is that if one substantial measure, which was passed and passed in the other Bill, is going to be discussed in this Bill also, then it is barred under this section 31. But if the point which has now been raised is that the whole Schedule is construed as one motion put before the House, then the difficulty is more in relation to the Government motion, because I find that the first Bill which was passed has a substantive clause in it, thus:

“The amendments specified in the Schedule to this Act shall be made in the Second Schedule to the Indian Tariff Act, 1894.”

Exactly the same words are used here in the Bill in our hands. The whole Schedule can be considered to be barred by clause 31 of the Standing Orders, but I do not take it in that light. I say that every item which is discussed is by itself a substantive motion: and when this item has been discussed and passed, it should not be allowed to be discussed and passed at this stage in this Bill. That is a very clear point, and I hope the Honourable Member will see his way to accepting this point of order.

Mr. President (The Honourable Sir Shanmukham Chetty): The Standing Order on which the Honourable Dr. Ziauddin Ahmad relies for his contention is Standing Order No. 31:

“A motion must not raise a question substantially identical with one on which the Assembly has given a decision in the same Session.”

In deciding with this point of order, what the Chair has to do is to interpret the word “motion”. What exactly is a motion under this Standing Order? And the Chair has also to interpret the meaning of the words “substantially identical”. So far as the interpretation of the word “motion” is concerned, a motion is that which has been read out to the House by the Chair. That is the motion. The motion on the previous occasion, when the other Bill was under discussion, was that “the Schedule to that Bill stand part of the Bill”, and the motion that has been read out to the House under this Bill is “that the Schedule to this Bill stand part of the Bill”. Therefore, the motion in this instance means that the whole Schedule do stand part of the Bill. It cannot be construed as meaning that that motion consists of various individual motions to the effect that “item No. 1 stand part”, “item No. 2 stand part”, and so on. It is not to be construed like that. If that were so, then the Chair would be bound to put the motion in that form. Therefore, so far as the word “motion” is concerned, it must be taken that the motion before this House is that “the Schedule to the Bill stand part of the Bill”. Now, the Chair has to decide

whether that motion raises a substantially identical issue to the one on which the Assembly has given a decision in the same Session. In deciding whether a Schedule to a Bill raises substantially an identical motion, no hard and fast rule can be given. Every motion has to be judged on its own merits and in the light of individual cases. When a Schedule is incorporated in a Bill, it is for the Chair to decide whether, in the light of the various items that go to make up the Schedule, it can reasonably be construed to raise a substantially identical issue. Applying that test, the Chair finds that in the Schedule to the original Bill, which has already been passed in this House, certain amendments were made to Item No. 43C, which the Chair finds is included in Part II of Schedule II of the Indian Tariff Act, the heading of which is "Articles which are liable to non-protective duty at special rates". In the present Bill, the Chair finds that the Schedule seeks to amend Part VII of Schedule II of the Indian Tariff Act, the heading of which is "Articles which are liable to protective duty at special rates". Therefore, the Schedule under the old Bill and the Schedule under the present Bill have two different objects in view. Therefore, the Chair holds that this Schedule does not raise a substantially identical issue which has been disposed of in the House and the Chair, therefore, holds that the Schedule is in order.

Mr. A. H. Ghuznavi: Mr. President, I beg to move:

"That in the Schedule to the Bill in Amendment No. 9 for the proposed Item No. 1580 the following be substituted:

1590. COTTON Hosiery, the following, namely:

- | | | |
|---|-------------------|--|
| (a) Cotton undervests, knitted or woven | <i>Ad valorem</i> | 25 per cent. or one rupee and eight annas per dozen whichever is higher. |
| (b) Cotton socks or stockings | <i>Ad valorem</i> | 25 per cent. or eight annas per dozen pairs whichever is higher." |

I have given notice of this amendment, because it is based on the specific recommendation of the Tariff Board. The Tariff Board recommended a protective duty of Rs. 1-8-0 a dozen for underwears and for socks and stockings eight annas per dozen pairs. Although a uniform rate of Rs. 1-8-0 a dozen would have proved unjust, yet the Tariff Board found it on evidence that it was workable, and I have not, therefore, attempted to alter by my amendment, the protection that they have proposed. On page 179 of their Report, the Tariff Board say:

"We find that the average cost of manufacturing a dozen vests weighing three pounds two ounces a dozen may be put at Rs. 3-5-6."

And then, they go on:

"The fair selling price would be raised to Rs. 3-14-0 a dozen. Comparable Japanese vests weighing two pounds eight ounces a dozen are available at a c. i. f. price of Rs. 2-6-0 a dozen."

Therefore, their finding was that the measure of protection that was necessary was Rs. 1-8-0 a dozen. When the old Bill was introduced in this House—although we did not have then the Report of the Tariff Board

[Mr. A. H. Ghuznavi.]

before us,—we were told in the Select Committee that the taxation proposed in that Bill was based on the recommendation of the Tariff Board. Then the Tariff Board also discussed whether it would be possible to give the protection in pounds instead of in dozens. They found that it was difficult to work. In that connection, the Tariff Board say:

"To afford adequate protection, it will, therefore, be necessary to fix a duty per pound sufficiently high to cover this difference."

They felt that there was a difficulty in giving protection on the basis of pounds, and they said:

"This difficulty will not arise if the duty is levied on the basis of quantity."

They carefully examined the matter from the point of view of the duty to be levied on the basis of quantity and referred in passing to the question of levying the duty on the basis of pounds, which, in their opinion, was difficult of application. Sir, so far as the hosiery industry is concerned, I understand that it would prefer a duty of Rs. 1-8-0 a dozen to a duty of nine annas a pound as was proposed by Government. Even in the Select Committee some of them, who were looking to the interests of the industry, were of opinion that it would be far better to go back to the old Bill and to have the duty per dozen and not per pound. Now, let us examine the basis on which we arrived at the duty per pound and thus raised the duty from nine annas to twelve annas per pound. The statement is embodied in the Report of the Select Committee in the minute of dissent by Dr. Ziauddin Ahmad and myself. It was very kindly supplied to us by Dr. Meek. The statement puts down, as the first item, the fair selling price as determined by the Tariff Board for undervests comparable with the Japanese imports weighing $2\frac{1}{2}$ pounds per dozen, 62 annas per dozen. We do not know what is the standard size of those undervests. We do not know what are the counts of yarn used in their manufacture. We do not know whether they are closely woven or loosely. Higher counts and loose knitting will lower the weight, while lower counts and close knitting will raise the weight. There is nothing to find out what size they have taken as the standard size. Taking the figure of fair selling price determined by the Tariff Board as 62 annas, that fair selling price was determined by the Tariff Board in 1932, and that is not the fair selling price of 1934. Therefore, when they also took the c.i.f. price of Japanese hosiery, it was the c.i.f. price of 1932 and not of 1934. According to the Tariff Board, they find that the protection of Rs. 1-8-0 per dozen which is equivalent to $9\frac{3}{5}$ annas per pound was recommended in 1932, and how do we calculate now? We take the fair selling price, so far as Indian goods are concerned; but, as I have already said, we do not know what is the standard size, whether they have taken it as 32" or 30" average. We do not know what is the count that was used, higher or lower, because it makes a considerable difference. There we take the fair selling price of 1932, but we are comparing now with the Japanese c.i.f. price of the present day. The industrialists wanted the Government to bring recent prices and so they sent a telegram to ascertain the recent prices. Taking into account the Indian goods, we take the fair-selling price as founded by the Tariff Board, but, now, in comparing with the comparable Japanese vests, we take the c.i.f. price of 1934 and not of 1932. According to the statement embodied in our minutes of dissent, the average c.i.f. prices per dozen at Calcutta of a large range of qualities of sizes 26" to 34" with an average weight of two pounds four ounces, per dozen is 32.8. Well, Sir, what is this average?

Before I proceed with this law of average which is playing a very great part in these calculations, let me tell this House what disaster the law of average had played in the late Crimean War. I refer to the boots or average size sent by the British Government for the use of their soldiers during the Crimean War. When the consignment of boots reached Crimea, it was found that they would not fit anybody. On enquiries being made, the Government learnt that the boots had been made of average size and the Government found that the law of average was worked out correctly, but—there is always the but—the result was disastrous. This law of average, so far as hosiery is concerned, is worked out correctly, but with disastrous results. Now, what is this average c.i.f. price? A telegram was sent to Bombay and Calcutta to find out the c.i.f. price of average Japanese hosiery. Here it seems to me that the average sizes concerned were 26" to 34". As far as I understand from the traders, the Japanese standard size is 32" and that can only be worked up if you take the average between 28" and 36". The average size of Indian hosiery is not given. As for comparable Japanese vests, the average size has been taken at 30" and not 32", and, in order to raise the level of protection, the average was taken as 30" and not 32", because, once you take the average 32", the protection that is needed goes down. In order to strike an average, you have to take into consideration standard qualities, standard sizes and their proportion to the total. The statement is silent in these respects. Rather it goes to show that the present summer qualities alone have been considered. The average must be all goods—of summer as well as winter wear. If you have taken the c.i.f. price of the vests by telegram from the ports of Calcutta and Bombay in March, it must have been of summer goods and you have not taken into consideration the winter goods. Then, what is the count that was used? If a higher count is used, the weight must be lower. But, supposing a lower count has been used: Have you taken into consideration all the counts that are used, 30's, 20's, 16's and 10's? You are not told what were the counts that were taken into consideration when that average was taken. Then, what is the texture? Closely knit or loosely knit? You must know these facts. Merely stating that a large range of qualities was examined is, I submit, absolutely misleading, without the specification of any of these particulars.

Then, there is another point. The weight of undervests of size 32" for summer wear varies according to count, the count of the yarn that was used; and, again, it varies in texture. It varies between one pound eight ounces and three pounds eight ounces. What is the average that you have taken of vests made of counts 30's, 20's, 16's or 10's? You have to weigh them separately, and also to ascertain their proportion of the total. Then and then alone you can work out an average.

Mr. S. C. Mitra: What were you doing in the Select Committee if you did not find these things?

Mr. A. H. Ghuznavi: The difficulty is that I do not want to introduce any heat: nor divulge what took place in the Select Committee: but the whole question of hosiery was disposed of in 20 minutes. So far as this important item of this Bill was concerned, 20 minutes or 30 minutes were considered quite enough. Take, for instance, winter wear; they are of cotton and they vary in weight from four pounds to nine pounds. Let me explain a little more. The Tariff Board recommended that the comparable

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Japanese vests weigh two pounds eight ounces, and they were giving a difference of protection between two pounds eight ounces and three pounds two ounces a dozen. On that basis, of course, as I have pointed out, the difference is that the protection they needed was Rs. 1-8-0 a dozen or nine annas a pound if they wanted to have it on the pound basis. There are findings on which they came to that conclusion. I do not know what Government's case is, but they take shelter under the subsequent clause, and that is this. Mind you, they have examined none excepting those who are interested in the industry. They have not examined any one on behalf of the consumers or on behalf of the importers although the importers wanted to offer evidence. What they had to say was not heard. This is only one sided evidence, but even on that they say:

"We understand that the imported goods often weigh not more than two-thirds of the weight of the Indian manufactures with which they compete. Thus the Indian goods weighing three pounds a dozen have to compete with the imported goods whose average weight will not be more than two pounds a dozen."

I think Government, in attempting to prove their case of 12 annas, will be taking shelter under this. We find that their own case is nine annas a pound which is equivalent to Rs. 1-8-0 a dozen. Here they say, "We understand, etc.". Somebody informed them about all this, but they have not tested all that. They merely go on saying that, "We understand that such and such a thing has happened". They say nothing further.

The other day, I made my submission that it is very difficult to follow this without the evidence. If we had the evidence, we could have gone into the matter very carefully. How did they come to that finding? How do they say, "We understand, etc."? What was the evidence before them? We have only to take what they say in their Report and nothing else. If we have to go on the basis of the Report, let us take the portion where they say, "We find, etc.". That means that they must have gone into the matter very carefully and then come to that finding. And they say that it is very difficult to impose a protective duty per pound. It will be far better to do so by the dozen, and that is the reason why they came out in the first Bill on the basis of a dozen and not of pounds. The Government, however, take the fair selling price of 1932 of Indian goods, keep it constant and compare it with the c.i.f. price of the Japanese goods of March, 1934, of a smaller size and lesser weight, thereby reducing the cost of Japanese goods and increasing the protection to be given to Indian goods. The protection is estimated at 10½ annas, that is, on the Calcutta invoices on the Calcutta imports. Then, they take up Bombay. Indian hosiery is manufactured throughout India. They have taken into account the imports of Japan into Calcutta. Calcutta imports are of lighter quality. We pressed them to take that into account, because it raises the level of protection. Have they taken the average of Indian manufacture which is sold in Bombay? When you take the average of Bombay also with Calcutta, surely take also the average of the Indian production which is sold in Bombay. That must be of higher weight. No, they do not do that. Then they find that so far as Calcutta is concerned, 10½ annas should be given, and in Bombay the protection is 13 annas 3 pies. Taking again the inexorable law of averages, they hit upon 12 annas, or as my Honourable Friend, Mr. Maswood Ahmad, puts it in his amendment at 11 annas 9 pies, which they now want to allow. The Fiscal Commission has said very clearly that the measure of protection should be given after

considering that the burden must not be higher than the masses can bear; and high protection always results in inefficiency and a desire not to try and improve and come into the market with competitive prices. The Bill provides very high protection. We are yet to know, according to the Tariff Board Report, whether it is a suitable or unsuitable industry. They say that you must find out first whether it is a suitable industry where you can give protection. If it is unsuitable and you give protection, it hits the masses, results in nothing and ends in just the opposite of what you want to do. We have today passed the amendment so far as silk is concerned. Here they do not even classify them. Give protection, I have no objection. But it should be on the basis of the recommendations of the Tariff Board. It is heavy, but we should not hit the masses harder and also the consumers by raising it; but we have passed it; and, as far as I understand, the industries also think it better for them to have Rs. 1-8-0 per dozen. That is why I gave notice of this amendment. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That in the Schedule to the Bill in Amendment No. 9 for the proposed Item No. 1580 the following be substituted:

'1580. COTTON HOSIERY, the following, namely:

(a) Cotton undervests, knitted or woven *Ad valorem* 25 per cent or one rupee and eight annas per dozen whichever is higher.

(b) Cotton socks or stockings *Ad valorem* 25 per cent or eight annas per dozen pairs whichever is higher."

Mr. M. Maswood Ahmad: Sir, I beg to move an amendment in this connection. I wrote the amendment very late and I hope you will kindly allow me to move the amendment, though I have given notice of it only today. I gave notice yesterday as well, but by mistake I forgot to write one item and so I have corrected the same amendment of which I gave notice yesterday. The amendment runs:

"That in the Schedule to the Bill in Amendment No. 9 for the proposed Item No. 1580 the following be substituted:

'1580. COTTON HOSIERY, the following, namely:

(a) Cotton undervests, knitted or woven *Ad valorem* 25 per cent or one rupee eight annas per dozen or 9 annas per pound, whichever is higher.

(b) Cotton socks or stockings *Ad valorem* 25 per cent. or eight annas per dozen pairs or 9 annas per pound, whichever is higher."

• I want to say that the change which I have proposed is

Maulvi Muhammad Shafee Daoodi: On a point of order, Sir. I think there is some confusion. This amendment comes after the amendment moved by Mr. Ghuznavi. It is an amendment on the same question. His amendment is Rs. 1-8-0 per dozen. My amendment is Re. 0-9-0 per pound for the same article

Mr. President (The Honourable Sir Shanmukham Chetty): Mr. Maswood Ahmad gives three alternatives.

Maulvi Muhammad Shafee Daoodi: Let the alternative of Mr. Ghuznavi be disposed of first.

Mr. President (The Honourable Sir Shanmukham Chetty): We shall have a discussion on both. That will simplify matters.

Maulvi Muhammad Shafee Daoodi: I had also moved an amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Have you got one prior to Mr. Maswood's amendment?

Maulvi Muhammad Shafee Daoodi: No, it is on the same point.

Mr. M. Maswood Ahmad: Sir, I have given three alternatives to the Government, and Government can accept one of them. In this connection it is very important to know how many hosiery factories exist in the country today. Hosiery trade affects my constituency too, and so I want to inform the House as to where these hosiery factories are situated in India, so that the House may be in a position to judge the real condition of the industry. In Bengal, there are 44 power factories and about 100 hand factories. Next comes the Punjab, and there you will find that there are 30 power factories and about 130 hand factories. In the U. P., practically there is no independent hosiery factory, but there are about four mills in which a separate hosiery department is maintained. In the C. P., there are six factories. In Bombay, there are seven, in Madras there are 14, and in Burma there is only one factory. Then, the next question to be considered is that this hosiery question was discussed by the Tariff Board in 1926-27. At that time, the Tariff Board came to the conclusion that there was no case for giving protection to the hosiery industry. Since 1926-27, we have not got

The Honourable Sir Joseph Bhoré: Will my Honourable friend refer to the passage which he thinks bears out what he has said just now?

Mr. M. Maswood Ahmad: I quote here the Tariff Board Report of 1932, and would refer to page 180, para. 189, wherein it is stated that the Tariff Board in its 1926-27 Report rejected the hosiery industry's application for protection, and they give reasons as to why they rejected it.

The Honourable Sir Frank Noyce (Member for Industries and Labour): Sir, the Tariff Board over which I presided did not reject the application of the hosiery industry.

Mr. M. Maswood Ahmad: Sir, I have read every word contained in para. 189, and hence I have referred to it. I never quote anything without thoroughly reading it before and without proper authority for it, and if the Honourable Member will refer to the figures I quoted at the time of the Postal Budget discussion, he will see that what I say is perfectly correct. The Tariff Board in its 1926-27 Report rejected the hosiery industry's application for protection

The Honourable Sir Frank Noyce: Sir, I think I am perhaps even more capable than the Tariff Board,—I mean the recent Tariff Board which examined the claim to protection of the cotton textile industry—to interpret what is meant by the Report of the Tariff Board of 1926-27 in view of the fact that I presided over it myself. I can say definitely that that Tariff Board did not reject the claim of the hosiery industry to protection. What they said was that they did not see why hosiery should be treated in the matter of protection differently from any other cotton textiles. That, I maintain, is quite a different thing from rejection.

Mr. M. Maswood Ahmad: If the Members of the Tariff Board who sat and examined in 1931 have interpreted it in the same way as I interpret, my friend cannot say anything. When they have interpreted it that way, I have got a right to say that they agreed with my opinion that the Tariff Board rejected the application of the industry, and I want to examine the position from that aspect. Since 1926-27, whether this protection was given or it was rejected, what is the position now? Where was the competition during the last five or six years?

In this connection, Honourable Members will see that in 1926-27, about 47 lakhs 37 thousand dozens of hosiery were imported into India. In 1927-28, the imports came down, and only 45 lakhs 80 thousand dozens were imported. Again, in 1928-29, 51 lakhs 49 thousand dozens hosiery were imported, in 1929-30, 51 lakhs 6 thousand dozens, in 1930-31, 38 lakhs 43 thousand dozens of hosiery were imported, and, in 1931-32, only 25 lakhs 93 thousand dozens of hosiery were imported into this country. So, without any protection, the imports of hosiery into this country is going down year by year. Not only this. If you will examine the condition of hosiery made in Indian factories, you will find that in 1926-27 it was 3 lakhs 52 thousand dozens only; it jumped up in 1927-28 and reached 5 lakhs 56 thousand dozens. It again went up in 1928-29 and reached 5 lakhs 93 thousand dozens. In 1929-30, it came to 5 lakhs 76 thousand dozens. In 1930-31, it was 5 lakhs dozens, and, in 1931-32, it jumped up to 6 lakhs 31 thousand dozens. So, in these six years, you will find that the import of hosiery came down year by year, while the hosiery manufactured in India went up in the same period. Where was the competition I should like to know from the Government. If import is decreasing, if the Indian manufactured hosiery is flourishing, where is the need for any further protection and where is the competition I want to know from Government. And so Government have to consider this aspect of the question seriously and see whether there is any necessity for protection or not.

My friend, Dr. Ziauddin Ahmad, has given his minute of dissent at page 6 of the Report of the Select Committee, and, in that minute, he has

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stated the calculation on which Government have based their case for this protective duty for hosiery :

"The reason for enhancement of this duty as given in the Select Committee was as follows :

	Per dozen.
'The Fair Selling Price as determined by the Tariff Board for undervests comparable with Japanese imports weighing 2½ lbs. per dozen (187 Tariff Board's Report.)	62 As.
Average c. i. f. prices per dozen at Calcutta of a large range of qualities of sizes 26" to 34" with an average weight of 2 lb. 4 oz. per dozen is	32·8
The corresponding c. i. f. price when the average weight is raised to 2½ lbs. per dozen as taken by the Tariff Board would be	35·7
The protective duty required on these Calcutta figures for one dozen weighing 2½ lbs. is therefore	26·3
And this is equivalent to 10½ annas per lb.	
Similarly—	
Average c. i. f. prices per dozen at Bombay of a large range of qualities of sizes 26" to 34" with an average weight of 2 lb. 10½ oz. per dozen is	30·6
The corresponding c. i. f. price when the average weight is reduced to 2½ lb. per dozen as taken by the Tariff Board would be	28·7
The Protective Duty required on these Bombay figures for one dozen weighing 2½ lbs. is therefore 33·3.	

And this is equivalent to 13·3 annas per lb. Taking the average of the results for Calcutta and Bombay we obtain as the necessary Protective Duty on Cotton Undervest a figure of 11·9 annas per lb. or say 12 annas per lb."

I think my Honourable friend will agree that these figures quoted by him are correct, because my Honourable friend, Sir Joseph Bhore, has said that the figures mentioned there are correct and that they have been taken from their papers. If you examine the thing, you will find that these calculations are based on an entirely defective basis. At the very beginning they have assumed that the fair selling price as determined by the Tariff Board for undervests comparable with Japanese imports weighing 2½ lbs. per dozen is 62 annas. I pause for a minute, and I want to know whether this is correct or not. As it has been quoted by my Honourable friend, Sir Joseph Bhore, yesterday and as he has not challenged it, this is correct. If you look at the report of the Tariff Board, you will find that the figure 2½ lbs. which is quoted here is entirely incorrect. The Tariff Board says :

"We find that the average cost of manufacturing a dozen vests weighing 3lbs. 2 oz. may be put at Rs. 3-5-6, allowing for 16 per cent wastage of yarn. To this figure we add 8½ annas to provide for interest on working capital at the rate of 6 per cent. on four month's works costs, depreciation at 10 per cent. on the machines, and profit at 8 per cent on the capital invested. We thus get a fair selling price of Rs. 3-14-0."

This fair selling price they have definitely said is for vests of 3 lbs. 2 oz. But here I find in the Government papers, supplied to the Select Committee, they have based their whole argument on 2½ lbs. per dozen of 62 annas. This is the first mistake they have committed. When the foundation of a building is sandy, the whole building will come down with a crash. The second defect in their calculation is this. The figures they have taken for the market rate are based on December, January and February figures of this year. But the fair selling price which they have taken from the Tariff Board, Rs. 3-14-0, is for the year 1931-32. So, there cannot

be any comparison, because the fair selling price has also come down in these years, on account of the price of cotton having gone down, and the wages of labour also having gone down. So, this is another mistake. A third mistake which they have committed is that they have taken the figures of the prices for the months of December, January and February of this year, and they have neglected those undervests that are used in winter season, and that figure they have not mentioned. If that had been taken into consideration, the result would have been different from that in the Select Committee. Again, they were not satisfied with the figures they had calculated for Calcutta and so they considered the Bombay market too, and here, as in other cases, as we have seen and as you have heard too, the mills and factories in Bombay are defective, and when the protection was calculated on Bombay basis, it was found that hosiery required a protection to the extent of 13·3 annas, while for Calcutta, in spite of defective calculations, the figure was 10½ annas. If this is calculated on 3 lbs. 2 oz. basis, the result would have been, in respect of the Bombay market, the protection required would not have gone by more than six annas per pound. This 62 annas for fair selling price would have remained as it is, and the average price per dozen c.i.f. at Calcutta of a large range of qualities of sizes 26" to 34" with an average weight of 2 lbs. 4 oz. per dozen is 32·8 annas—I admit that and keep it at that. The corresponding price, c.i.f. price, when the average weight is raised to 2½ lbs. per dozen as taken by the Tariff Board would have been 46·8 annas, and by this means the difference between 62 annas and 46·8 annas is 15 annas, and then this 15 annas is for three pounds two ounces per dozen, and so for each pound it would come to five annas only. But they have reduced the fair selling price basis from 3 lbs. 2 ozs. to 2½ lbs., and they have increased the market price here, and by this means they have reached 10½ annas per pound. I leave this question of calculation for a moment. I think Government should consider how far they have calculated reasonably.

Then, I think that I should be failing in my duty if I do not bring to the notice of the House the fact that the protective measures, which have been brought before this House by my Honourable friend, Sir Joseph Bhore, go against my constituency to a very great extent and my constituency is not satisfied with all these protective measures. You will find that all these protective measures are either for the benefit of Calcutta or Bombay. This 12 annas has come on account of the Bombay market only. But, for Bombay, the duty would not have gone beyond 10½ annas, and I say that Bombay is the main source of trouble here as well. My constituency will greatly suffer on account of these protective measures. I have proposed three alternatives to the Government. The first alternative is the 25 per cent duty and the second alternative is 1·8·0 per dozen and the third is nine annas per pound. Here also I may say that the Tariff Board have definitely said that this difficulty will not arise if the duty is levied on the basis of quantity. They have mentioned certain things and then they definitely say that it is not advisable for the hosiery to pay duty by weight, because you will find that by this means of duty on a pound basis the result will be that taxes on the cheaper quality of hosiery will go up while the taxes on the finer qualities of hosiery will come down, and the great trouble which is felt in India is that Indian hosiery and Indian undervests cannot compete with Japan, because Japan supplies finer quality of undervests. That also has been mentioned in the Tariff Board that the

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great competition is on the finer quality and on light weight Japanese undervests. This question must be considered by the Government. There should not be any duty on the basis of pounds. Rather it should be on the basis of dozens, and we have given three alternatives, and, of these three alternatives, whichever may be higher Government may take duty on that basis. Sir, I move:

Mr. President (The Honourable Sir Shanmukham Chetty): Further amendment moved:

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 1580, the following be substituted:

1580. COTTON HOSIERY, the following, namely:

(a) Cotton undervests, knitted or woven	<i>Ad valorem</i> 25 per cent or one rupee eight annas per dozen or 9 annas per pound, whichever is higher.
(b) Cotton socks or stockings	<i>Ad valorem</i> 25 per cent or eight annas per dozen pairs or 9 annas per pound, whichever is higher."

Mr. K. P. Thampan (West Coast and Nilgris: Non-Muhammadian Rural): Sir, I hope I shall not be divulging a secret if I say that the duty of 12 annas per pound was arrived at as a compromise in the Select Committee. I was one of those who wanted to raise the duty still further. There was another school which thought that it might be reduced and if my memory is right, it was Sir Joseph Bhore who suggested a compromise.

Maulvi Muhammad Shafee Dadoodi: I want to understand what are the different points of view, on which a compromise was arrived at.

Mr. K. P. Thampan: There was one school which wanted at least one rupee, for instance, per pound. There was another school which wanted to reduce it from nine annas per pound.

Mr. A. H. Ghuznavi: The Bill provided for nine annas.

Mr. K. P. Thampan: If I had known that it was not a compromise. I would have written a dissenting minute and given notice of amendments to raise it still further.

Dr. Ziauddin Ahmad: May I point out that a compromise really means that both the sides accepted it. That is really the meaning of compromise. At least as far as I am concerned, I never accepted any increase and I protested up to the end and wanted to record my dissent.

Mr. A. H. Ghuznavi: I did the same thing.

Mr. K. P. Thampan: I represent a constituency which I presume has got more of these hosiery factories than any other constituency in the country. I am surprised to find the Tariff Board state that in Madras

there are only as many as 14 factories employing 579 men. Of course they are cautious to say "so far as our information goes". There is that qualification. In Calicut alone, for instance, the headquarter of the Malabar district, there are four big factories employing about 900 odd hands. Then there is the one belonging to Commonwealth Trust in Mangalore which is one of the oldest factories in the country. It was under the management of the Basel Mission. They were manufacturing the best undervests in the country. I myself have been using them for the last 30 years and their products are as good as the English banians. Their woollen undervests are as good as Jægers. I can say this from my own personal experience. In the whole of my constituency, there are as many as 15 factories employing 1,500 people, and, taking all the factories together outside, they employ about 3,500 men. On the whole, there are not less than 5,000 men employed in the hosiery business in South India.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

As the Honourable the Commerce Member will deal with the merits, I do not propose to do it. If the object of this measure is to give protection to the textile industry, I do not know why this branch of that industry should not be supported adequately; why here alone the consumers' interest should prevail. I do not want to take up the time of the House by reading all the telegrams I have received on this subject. I have had as many as 14 telegrams from South India alone. I would, however, like to read only a portion from one telegram I received from the Malabar Chamber of Commerce on the 20th of March: It says:

"Chamber, therefore, urges Government to levy immediately specific duty at least two rupees per dozen or one rupee per pound on weight basis for cotton undervests including all knitted apparel and hosiery not otherwise specified."

This is more or less the trend of all the telegrams received from the several Chambers of Commerce in South India and the four big factories in Calicut have sent telegrams to the same effect. As I said, I had no idea that the House would go back upon the proposals of the Select Committee. Otherwise, I would have moved the necessary amendments. I cannot afford to neglect the interests of my constituents, and I strongly oppose the proposal to reduce the duty from 12 annas.

Maulvi Muhammad Shafee Daoodi: Sir, I want to make out three points on this question. The one relates to that which has just now been raised by my friend, Mr. Thampian, and which has also been raised by my friend, Mr. Maswood Ahmad—one on behalf of the manufacturers, and the other on behalf of the consumers. It is true that Malabar may have the largest number of factories and that they would like to increase the duty on the hosiery, but here we have not got to look to Malabar or to Patna. These are not the two constituencies which are under consideration. We have got to look at the whole affair—India as a whole, and when we consider this question on the basis of the interests of consumers as well as manufacturers throughout India, we have no doubt that the conclusion to which we should come is that the hosiery industry does not require any additional, special protection at this stage. It is clear from

[Maulvi Muhammad Shafee Daoodi.]

the figures given in the Report of the Indian Tariff Board regarding the grant of protection to the cotton textile industry that since 1926 and 1927 we have improved a good deal in 1931-32. I take only these two years as indicating the progress made by the hosiery industry so far as Indian factories are concerned. In 1926-27, the quantity imported was 4,737,000, while in 1931-32 the quantity imported was 2,593,000. It clearly shows that the import of hosiery from outside had been reduced by half. When we come, Sir, to the Indian manufacturers and Indian factories themselves, I find that this inference of ours is very well maintained. In 1926-27, the Indian manufacturers produced 352,000 dozens of hosiery, but in 1931-32, they produced 622,000 dozens of hosiery. Now, this is practically double of what was produced in 1926-27. So, Sir, in point of imports, as well as in point of the output of the Indian manufacturers, we find that our condition has improved. In the case of imports, it has been reduced to half, and in the case of manufacturers, our production has been doubled. Now, therefore, it is very clear that the object of protection is gained by the processes which we have been following all these years. No additional, special protection need be devised for protecting the hosiery industry. It is a different matter, of course, that one may have a soft corner for Madras, because factories are larger in number there, and some of those in authority may feel a greater sympathy for the people in Madras (Laughter), but this is not the view which we should hold in this House. We should divest our minds of all such misconceptions and we should look at the thing in a particular way and find out what is in the interest of the entire population of India. So I find that no better proof can be given than these figures which I have quoted from the Tariff Board Report. Now, the third point, I wanted to make out, is this. In paragraph 187 of the Tariff Board Report for 1932, we find a discussion of the duty imposed by dozens and the duty imposed by weight. Now, this discussion in that paragraph makes the matter very very clear to me at least. I find, Sir, that while discussing this question, they say, in one place, that they have come to a definite finding that a certain amount of duty should be levied by numbers, but later on they say that they understand from various sources that if the duty is levied by pounds, it will give greater protection to the hosiery industry. Now, these are the two methods by which they have discussed this question. In the one case, they have come to a definite finding, a definite conclusion, while in the other case they rely upon evidence which they cannot quote in support of their finding; therefore, they say that they understand that such a thing would happen. Now, I will read to you what they say, and you will be able to judge for yourself as to how far the two positions are consistent and what is the view that we should adopt. Now, they say:

"We find"—(a finding is given)—"that the average cost of manufacturing a dozen vests weighing 3 lbs. 2 oz. a dozen may be put at Rs. 3-5-6, allowing for 16 per cent wastage of yarn. To this figure we add 8½ annas to provide for interest on working capital at the rate of 6 per cent on four months' works costs, depreciation at 10 per cent on the machines, and profit at 8 per cent on the capital invested. We thus get a fair selling price of Rs. 3-14-0 a dozen. Comparable Japanese vests weighing 2 lbs. 8 oz. a dozen are imported at a c. i. f. price of Rs. 2-6-0 a dozen; so the measure of protection necessary is not less than Rs. 1-8-0 a dozen vests."

Here, Sir, they finish their "finding". Then they go on to say:

"An alternative statement of costs works out to Rs. 4-8-0 a dozen after providing for depreciation and interest and profit. Owing to the competition of imported articles,

the utmost that can be realised for these goods which cost Rs. 4-8-0 a dozen to manufacture is Rs. 3-12-0 a dozen; 12 annas out of this represents the present duty at 25 per cent. So the measure of protection required in this case too works out at Rs. 1-8-0 a dozen. If the duty is levied on the basis of weight, allowance will have to be made for the difference in weight between comparable qualities of Indian and Japanese goods. We understand that the imported goods often weigh not more than two-thirds of the weight of the Indian manufactures with which they compete."—

and they go on describing how they want to impose a duty by pound.

Now, it is very clear to a man who will read dispassionately and without any prejudice whatsoever that they have come to a definite finding of giving protection to the hosiery industry in dozens and they themselves say that there are so many difficulties in giving protection in pounds. I could not follow those difficulties very well, but I suppose the Honourable Mr. Ghuznavi has made it clear that it is very difficult to weigh the different sizes of underwears and find out as to what the average would be. That is a difficult task which no customs officer can easily perform. Therefore, I find that the course which the Government should adopt is one which is based on facts, figures and evidence and not on inferences, surmises and such evidence on which no findings can be based.

The fourth point that I would try to make out is this. The chief bone of contention which comes under this head are the underwears
4 P. M. and not so much the socks and stockings which are worn by people of rich class. But the undervests are perforce to be worn by the poor people. They have got to clothe themselves with some sort of underwear which is of cheaper value. Now, to raise the price of an article which is worn by so many millions of people is not justified. I would appeal to the Honourable the Commerce Member to imagine for a moment what would be the feeling of those poor agriculturists who have got to wear something of a lower order and which they were getting at first for, say, X, and for which they will now have to pay X plus two pice. I am told that it is something more than that.

Mr. A. H. Ghuznavi: It is much more than that.

Maulvi Muhammad Shafee Daoodi: Even if it is two pice more, then I would ask the Honourable the Commerce Member to realise and imagine the feeling which the poor cultivators will have in these days of depression. If they had the price level of their commodities raised, then they would not have felt this extra two pice for their underwear. But, in the present circumstances, I do not think any reasonable man with some heart in him for the poor people can support this proposal. At the same time, we find that we are justified by the facts as given by the Tariff Board. It is not an arbitrary appeal that we are making. We are making our appeal on the basis of the Tariff Board, and we hope that the Honourable the Commerce Member will not see his way even to increase it by a pie. These are the points, Sir, which I wanted to make out. I had an amendment on this point and that also a prior one, but as my friend, Mr. Maswood Ahmad, has taken pains to move his own in the late list, I need not move mine.

Khan Bahadur Haji Wajihuddin (Cities of the United Provinces: Muhammadan Urban): Sir, I rise to support the motion moved by my Honourable friend, Mr. Ghuznavi. The House only a few weeks ago accepted

[Khan Bahadur Haji Wajihuddin.]

that a duty of Rs. 1-8-0 per dozen should be levied on cotton under-vests. This duty was recommended by the Tariff Board, it was recommended by the majority of the Select Committee. It is not desirable to change our own decision in the course of only six weeks. The Government ought to have made up their mind before introducing any legislation on hosiery. They ought to have studied every aspect of the question and come to a decision for themselves. In matters of legislation there are always two opinions. Manufacturers want the maximum of duty for their personal gain. Importers and consumers want the minimum for their personal gains, and it is for the Government to fix a *via media* and stand by it.

I understand that the decision of the Government was Rs. 1-8-0 per dozen. No argument has been given by the Select Committee for changing the dozen basis into a weight basis. The dozen basis affects adversely certain classes of goods, such as children's vests, but the weight basis affects another class of goods such as fleecy substance. The most equitable solution of this problem is, in my opinion, that the Government should levy the duty of Rs. 1-8-0 per dozen, as recommended by the Tariff Board, but in case of smaller sizes the duty may be a little less, i.e., for children's size from 16 inches to 20 inches, 12 annas a dozen and for boys' sizes, i.e., 20 inches to 26 inches, one rupee a dozen and the rest Rs. 1-8-0 per dozen. This duty would have been fair to manufacturers and fair to the consumers, but the constant change is upsetting the trade and is a source of confusion to every person. I do not remember that any commodity has been discussed in such an extensive extent as hosiery has been done in this Session, and it is due to the continuously changing opinion of the Government. The Government adopted nine annas per pound as equivalent to Rs. 1-8-0 per dozen, but the Select Committee, by a majority, changed it from nine annas to 12 annas. The Select Committee, in their Report, gave no argument, but my esteemed friend, Dr. Ziauddin Ahmad, in his note of dissent, pointed out that the only argument given by the Select Committee for raising the duty is that the c.i.f. prices of sizes from 20 to 34 has been reduced from 38 annas to 32 annas. There are two points which are to be noticed. In the first place, 38 annas is the price of undervests with an average size of 32 inches, and 32 annas is the price of an average size of 30 inches. The average in one is 32, but the average in the other is 30. I admit that the c.i.f. prices have gone down on account of further depreciation of Japanese yen, but simultaneously the price of yarn and the labour have also gone down. In this note, no change is allowed for the fall in the cost of production. I, therefore, say that this question ought to have been thoroughly investigated by a Special Officer before the duty is raised. I have just received a telegram from Bombay which, with your permission, I would like to read out. It runs thus:

"Proposed duty twelve annas per pound on cotton undershirts and socks disastrous to trade. Must be nine annas per pound as per amicable settlement arrived when All-India Hosiery Merchants Association Deputation waited on Commerce Member last January. Specific duty Rs. 1-3-0 on undershirts, ten annas on socks preferable to new proposal. Fleecy undershirts not manufactured in India, hence must be exempted. Bombay Hosiery Merchants Association."

Sir, we should now stand by our own decision and should not alter it till the matter has been enquired into thoroughly either by the Tariff Board or by a Special Officer. With these words, I support the amendment.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, the Honourable the Commerce Member coming from Madras as he does, naturally, the people of Malabar and Madras have a greater claim upon his sympathy and support. But I hope that sitting in this House the wider consideration of the public welfare in general would command more influence with him than the sympathy for the Province to which he belongs. Judging from this point of view, we have to see what is the aim and object of this Bill. The aim and object of the Bill, as has been stated by the Government, is to give protection to the indigenous industry of hosiery in this country.

Now, Sir, in all measures in which protection is given to any indigenous industry of India, we have to see whether it is to the benefit of the people of the country or to their detriment. We will not grudge giving protection to any indigenous industry of the country. In fact, we want it. India has been crying for years and years that her industry and trade should be encouraged, and, in fact, Government have not yet taken any steps to encourage the industry of the country. Our education has been going on on the same reckless lines as before. We have to see, however, that in our desire to protect an industry, we do not hit hard the consumers and the people of the country and do not make their living intolerable for them.

Now, Sir, it has been pointed out with a great deal of force, backed up by facts and figures, that the proposed duty which has been raised by the Select Committee is going to hit hard the public of this country. It is really very strange that against all the established practice of the House this duty has been raised suddenly in the Select Committee. If the Government wanted to go against the report of the Tariff Board, why this enhanced duty was not put down first when the Bill was introduced in this House? What is the reason? In fact, it looks very suspicious. At first a Supplementary Bill was introduced and hosiery was made the subject-matter of that Bill and a certain duty was levied upon it. Then, after two or three weeks, another Bill was introduced in the House, and a certain duty was put upon hosiery. Then, when this Bill, for the second time, goes to the Select Committee, against all the established practice of this House, suddenly the scheme is changed and an additional duty is put upon hosiery. These are things which naturally create the greatest suspicion in the minds of the public that there is something wrong in the Kingdom of Denmark about this matter, and no explanation is forthcoming on behalf of Government why this additional duty was not imposed when the Bill came up for the first time in the House and why in the Select Committee you raised this duty and that too against the Tariff Board Report. Then, my Honourable friends, Mr. Ghuznavi and Mr. Maswood Ahmad, have already pointed out with facts and figures that the protection which the hosiery industry enjoys at present is quite sufficient to protect it. It has been shown that the import of hosiery has been decreasing from year to year and that the number of country manufacture is increasing every year. If this is a fact—and that it is a fact has been proved by the documents of the Government themselves—then why should you impose an additional duty and levy a heavier burden on the poor consumers of the country? It seems to me that the Honourable the Commerce Member has become a disciple of Mr. Gandhi and he wants the people of this country to have no clothes except a small loin cloth. If you increase this already prohibitive duty on undervests, and

[Sir Muhammad Yakub.]

especially fleecy undervests which the poor man puts on in winter, I am quite sure that the result would be that the poor man will have to go naked and will have to content himself with Mr. Gandhi's loin cloth.

Mr. K. P. Thampan: Do poor people wear undervests? I thought it was only the luxury of the rich people.

Mr. A. H. Ghuznavi: Poor people wear cotton undervests.

Sir Muhammad Yakub: The population of the country is increasing and there seems to be no war at present and so the Honourable the Commerce Member wants to decrease the population of the country by making the people go naked.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): They will enjoy better health.

Sir Muhammad Yakub: The object of protection is already gained by the duty which has already been imposed. The country manufacture is increasing every year, and the import of hosiery is decreasing. Therefore, there seems to be no reason why this novel way of raising the duty in the Select Committee stage should be adopted and this has really created a great deal of suspicion in the country. My Honourable friend, Mr. Wajihuddin, has just now read a telegram from Bombay, here is another telegram from the Secretary of the Calcutta Hosiery Association, addressed to me, and, with your permission, I should like to have it on record. The telegram runs:

"We appeal to you reconsider proposals *re* duty on cotton undervests. This should not exceed Government's proposal of nine annas per pound. Moreover fleecy undervests being not made in India should not be subjected to increase and old duty should be maintained.

Secretary, Calcutta Hosiery Association."

Sir, as regards this fleecy undervests, as pointed out by the Secretary of the Calcutta Hosiery Association, this stuff is not made in India at all. Then, what is the industry that you are protecting by raising the duty on this stuff? There is no reason at all. What is the reply you have got to give on that point? I think my Honourable friend, Mr. Ramsay Scott, who is probably benefited by this duty, will be able to say something. . . .

Mr. J. Ramsay Scott (United Provinces: European): I am not being benefited by this duty at all. I have no connection personally in this matter.

Sir Muhammad Yakub: I do not mean personally. I do not think that the Honourable the Commerce Member can show that we have got any appreciable manufacture of fleecy undervests in this country. If you want to give protection to an industry, you must see what is the extent of that industry, and what are its chances of expansion in the country. Otherwise, one or two men, sitting at the door of their houses, might start some business and then they would come before the Honourable the Commerce Member and say "we have started such and such an industry, give us protection". Will you give protection at the expense of the consumer to every tiny little industry in the country? That ought not to be the criterion. So, Sir, I hope that the Government have not got a

biased mind on this point, and I hope that their minds are open to conviction, and, considering all the facts which have been placed before them, they will still change their opinion and stick to the duty which they themselves proposed when the Bill came up before this House. With these words, I support the amendment. (Applause.)

Dr. Ziauddin Ahmad: The ruling given by the Honourable the President on my point of order has really solved the legal difficulties of the Government, but it has not absolved them of the moral obligations and the obligations to act in a businesslike manner. Sir, I do not like to speak at length on each of these amendments, so I take longer time on this particular motion. The Tariff Board Report of 1926, the author of which is just sitting before me, at least as understood by my Honourable friend, Mr. Maswood Ahmad, and myself, does not seem to be, in favour of any special protection to hosiery. Of course, their final remark is embodied on page 204 of the Report which says:

"In these circumstances, we are unable to recommend that hosiery should be treated in any way differently from piecegoods."

Of course, this sentence might have a different connotation in the mind of the author of this Report. But certainly it is understood by everyone to mean that they were not in favour of giving special protection. Not only myself and Mr. Maswood Ahmad are under this impression, but the Tariff Board, which sat subsequently in 1932, were also of the same opinion.

The Honourable Sir Frank Noyce: Sir, what the Tariff Board of 1926-27 said was that they were unable to recommend that hosiery should be treated in any way differently from piecegoods. What Mr. Maswood Ahmad said and what the recent Tariff Board said was that they rejected the claim of hosiery for protection. But I would remind the House that the Tariff Board of 1926-27 definitely recommended protection for piecegoods. They recommended that piecegoods should get protection of 15 per cent.

Sir Abdur Rahim: Including hosiery?

The Honourable Sir Frank Noyce: Exactly, that is the point. I trust I have made it clear that the Tariff Board of 1926-27 definitely recommended protection for piecegoods. They recommended, as I have said 15 per cent. What they rejected was the claim of hosiery to special protection. They said that it should be treated in exactly the same way as piecegoods, and, therefore, if their recommendation for 15 per cent protection had been accepted for piecegoods, that presumably would have been accepted for hosiery also. What I would remind this House, if I may do so in the course of an interruption, is that we are now dealing in "astronomical" figures. In the days of that Tariff Board, 15 per cent was considered a great deal, but we have now got to the region of 50 and 75 per cent. But I would again remind the House that the Tariff Board of 1926-27 did recommend protection, that they suggested that hosiery should get the same protection as piecegoods and that, therefore, hosiery should receive protection. That is the position, and I trust I have made it clear to this House beyond possibility of doubt. I must confess that I am a little tired of hearing that the Tariff Board rejected the claim of the hosiery industry to protection, because that is not a fact.

Mr. M. Maswood Ahmad: Then that line that I read out is incorrectly printed in this book.

Dr. Ziauddin Ahmad: I think the author is more reliable than his words, and, in the face of what he has said, I must accept that the Tariff Board did recommend some kind of protection, but that protection should be to the same extent as they would like to give to Indian piecegoods. As I said, unfortunately everybody has been put on a wrong track and I am glad that the remarks made by the author of the Report will now definitely remove the misunderstanding. The misunderstanding was created by the remarks of the second Tariff Board when they said:

"The Tariff Board in its 1926-27 report rejected the hosiery industry's application for protection....."

Sir Abdur Rahim: Read the whole sentence.

Dr. Ziauddin Ahmad:

".....partly for the reason that it, was not confronted with unfair competition from Japan, but chiefly because they considered that the grant to the hosiery industry of protection on a scale higher than that applicable to other manufactured cotton goods would merely furnish an incentive to textile mills to devote more attention to this branch of the industry and encourage them to produce hosiery articles in such quantities and at such prices as to ruin the small factories in which hosiery was mostly manufactured."

In any case, the question was taken up by the 1932 Tariff Board and they gave certain figures. They gave the figures of the imports and the figures for Indian manufacture. Of course, I only go by the figures given here, and I find that since the first Tariff Board wrote its Report, the import has been diminished from 4,737,000 dozen to 2,593,000, that is, approximately reduced to half; while, during the same period, as pointed out by my Honourable friend, Mr. Shafee Daoodi, the export has increased from 352,000 to 622,000, that is, doubled. That is, the Indian manufacture was $7\frac{1}{2}$ per cent of the import in 1926-27 and it is 24 per cent in the year 1931-32. The Tariff Board also gave the number of persons employed. They say that the total number of men employed in this industry throughout India is only 5,676. The figures may be entirely wrong, but these are the figures which are given to us by the Tariff Board. Therefore, their argument for protection is based on two grounds, that is, import and export. There we find that under the protection, given on the recommendation of Sir Frank Noyce's Committee, it proved to be sufficient to diminish the import to half and increase the Indian manufacture to double the quantity. And, then, at the same time, the Report says that the number of persons employed is very small for India, and it is a figure which we may practically ignore. Therefore, they have not made out a particular case of protection. But still the House has accepted the principle of protection. We passed a Resolution, and now I do not challenge what we in this House by a majority accepted, and I proceed on the principle that protection ought to be given to this particular industry. But the question is about the manner in which the whole thing was handled by the Government and the quantum of protection. These are the two points which I should like to enter upon. Sir, there is one point before I leave this question of protection and that is that the duty of Government did not finish by merely passing a measure of protection. What they ought to see is that the protection, is

really enjoyed by the people of India and not by a few capitalists and,—this is a point which I always emphasise,—they should create some kind of machinery by means of which they can judge how the protection is actually working in this country. Is it benefiting the people or is it providing only a fat dividend for a few capitalists? Evidently we are not giving protection for the benefit of a few persons; we give protection to any industry for the benefit of the people of this country. I pointed out last time that the amount of protection is really a kind of loan to the industry which will have to be paid back after a certain number of years and the Government are really a surety of this particular loan. It is the duty of Government to see that the loan which we are going to pay to these industries is paid back to us. It is given under the orders of Government, it is given on the security of Government and we expect Government to see that it is paid back to us.

Sir, the other day, Sirdar Harbans Singh Brar gave some illuminating facts which really require serious attention if they are correct. I, of course, cannot really take the responsibility for their accuracy. He said that a certain individual was appointed a Member of the Tariff Board on steel protection. Soon after the protection was given, he joined that particular industry, and, later on, he was again asked to be a Member of the Tariff Board on the match industry protection. The protection was given and then he joined the match industry. And now, again, he has come here to negotiate with Government that the excise duty may not be increased. If a Member of the Tariff Board himself becomes a partner in the business to which protection is given on his own recommendation, I think that is not a right way of doing it. The Government ought to see and it is their duty to watch over the interests of the people. They should see that persons, who are appointed as Members of the Tariff Board and on whose recommendations we tax the consumers and the tax-payers to a very large extent, are men who themselves in the future or in the past do not have financial interest in that particular industry and that they give their just and impartial opinion on matters referred to them. But the very fact that they are joining the industry is not a very good thing and it does not set a good example. If these facts are correct, as pointed out by my friend, Sirdar Harbans Singh Brar, then I do request the Government that they ought to pay serious attention to this particular question: otherwise, the Tariff Board Reports and everything else will become very much discredited in the country. People will lose their confidence in you and in your Tariff Board.

While discussing the question about the Lancashire-Bombay Agreement, I put a straight question to the Honourable the Commerce Member on the floor of the House, as to whether he was not setting a bad example in accepting an agreement between private individuals, and then he said "Yes, if that person be the Honourable Member (Dr. Ziauddin)". That really means that in discussion he believes in individuals and not in arguments. This is what Imam Ghizali has said:

"Unzur ma qa la, wa la Unzur man gala."

You must always pay attention to what is said and pay no attention to who has said it. This is really the principle laid down by Imam Ghizali in his famous book "Ahyaul Uloom". I would like very much to present a copy of this famous book to the Library of the Secretariat or

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of the House, for the benefit, not only of Government, but of some of the Non-Official Members who are as much guilty as the Honourable Member on the Treasury Bench.

In this case there has been a good deal of discussion—I have, of course, very great respect for Mr. Scott—I have known him before he and I came to the Assembly, and I can say on the floor of the House that he has got a very great reputation in the United Provinces for his ability, his good work and his honesty; but my difficulty is that we have got a very high opinion of him, but on account of his modesty he has not got such an opinion of himself as was shown last time when he got up to speak on certain matters.

Now, the principle of protection has been accepted. However, I do mention and this is the point emphasised by my friends, Haji Wajihuddin and Sir Muhammad Yakub,—that in these matters the Government ought to have made up their mind very definitely as to what they proposed to do: they had the Tariff Board Report before them for the last two years; they had an inquiry, and if they were not very certain, they could have deputed one more person to make further inquiries and they could have formed their definite opinion and stick to them. We know very well that there are rival claims—manufacturers will pull one way: consumers and importers will pull another way: and the statical position or the position of equilibrium can be decided by the Government and the Government alone and by nobody else. Every one of us is interested in one form or another and Government alone are supposed to be a disinterested body and capable of deciding for themselves. But, once they have decided, they ought to stick to their guns. If any fundamental point is raised in which they have any doubts, then it is their duty to make first hand inquiries and then modify the opinion, if necessary, and say why they have done so. They should not allow themselves to be pulled by one party or the other. But certainly all these points ought to have been prejudged and the Government ought to have formed their opinion beforehand and put forward definite proposals which they modify only in respect of minor details. Had the Government adopted this attitude and stuck to the recommendation of the Tariff Board and continued to support Rs. 1-8-0 a dozen standard, as recommended by the Tariff Board then, though I or X or Y may not have been pleased, still all of us would have said that Government had done the greatest good to the greatest number, and we cannot please everybody. This is the only principle on which they ought to have followed. As regards this particular duty, we brought to the notice of the Government at that time that in the case of children's sizes, from 16 to 20, the duty worked out to 204 to 266 per cent: in the boys sizes, from 20 to 24, it worked out to 170 per cent, and in cases of better quality to 187 per cent; and in the case of the 30 to 34 sizes, it worked out to 69 to 128 per cent. My friend, Sir Frank Noyce, said that in his Report they were taking figures in the earthly numbers, but now we are talking in astronomical numbers: we were satisfied in 1926 with a duty of five per cent or six per cent. 10 to 20 per cent was considered high: nobody could dream then that the duty could be cent per cent or even more: it is not supposed to be marvellous: we are living in days when we have forgotten even millions—we talk of billions, trillions, quadrillions, and perhaps something more

will have to be discovered if this principle of managed currency continues. In Germany, during the period of depreciation of marks, they forgot all arithmetical names, and they only asked how many zeros there were—10 or 12, 14 or 15 zeros, that is the way in which they calculated . . .

Mr. B. Das: All zeros: nothing else.

Dr. Ziauddin Ahmad: Had the Government shown the slightest concession, a little kindness by putting on a variable duty: for example, in children's sizes, say, 12 annas, or one rupee, in the case of the boys' sizes Rs.1-4-0 or something like that, they would have been appreciated. We could not demand it. It was only a kindness had they accepted it: but, of course, we thought that after all the Government are considering the greatest good to the greatest number and we should submit to their proposal; and we did submit to it and we thought the matter was over and finished. And, as I interpreted section 31, before this ruling of the President was given today, I thought this thing could not possibly come up again in this present Session. But the whole question was reopened by putting this hosiery in the second Bill, and here we come to the fundamental question, how much this Rs. 1-8-0 a dozen is equivalent to how much per pound. Had the Government decided that the protection given by the Tariff Board is not sufficient, that was a different matter. In that case the right course for the Government would have been to appoint another officer to make inquiries and make suggestions or adopt some method by means of which they ought to have come to the conclusion that in their opinion the recommendation of the Tariff Board of protection of Rs. 1-8-0 is not enough and greater protection should be given: they ought to have come forward boldly and asserted that this was the opinion of the Government, and this is the method which the Finance Member always adopts; we may or may not agree with him, but his proposals are clear, fair and intelligible to everybody. I understand that the protection which the Government accepted is Rs. 1-8-0 a dozen, and there was no question raised on behalf of the Government that the quantum of protection should be raised beyond Rs. 1-8-0. Now, the question is, if you transfer the dozen basis to a pound basis, how much is this Rs. 1-8-0 a dozen equivalent to in terms of pounds? If they wanted to increase the protection on the basis of weight, they ought to have made an independent inquiry before the quantum of protection was increased; but agreeing that the protection of Rs. 1-8-0 a dozen was decided upon, then the only thing that remains is how much this is equivalent to in pound.

I would here refer to the speech of my Honourable friend, Sir Joseph Bhore, which he delivered on the 13th February, 1934. He said:

"We have calculated that Rs. 1-8-0 a dozen is approximately the equivalent of nine annas a pound on a weight basis. I do not ask the House to accept that as final, because that question will come up for consideration when we are dealing with the Cotton Textile Bill and we can go into that matter then."

As I interpret the particular passage of the Honourable the Commerce Member's speech, at present the duty of Rs. 1-8-0 is equivalent to nine annas or ten annas a pound, but then the question of quantum of protection may be considered in the Textile Bill. This question was also considered by a Select Committee in which Messrs. Scott and Hardy were present, and it was pointed out to me by the Government that the equivalent of the proposal, that is, Rs. 1-8-0 per dozen in the Bill would be

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approximately ten annas per pound. Dr. Meek and I calculated, and we agree that Rs. 1-8-0 a dozen works out to 9 $\frac{3}{5}$ annas per pound, and if anybody wants to challenge me, he can do so, and I am prepared to give way

An Honourable Member: How have you worked it?

Dr. Ziauddin Ahmad: I will work out.

An Honourable Member: Rs. 1-8-0 is for two half pounds. The size is smaller.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

Dr. Ziauddin Ahmad: Whenever we take the manufacturers' or sale price, we take the standard size of 32" and make the calculation. If we want to increase the quantum of protection, it is a different thing, but if you don't want to raise the quantum of protection beyond what is suggested by the Tariff Board, then I maintain that Rs. 1-8-0 is equivalent to 9 $\frac{3}{5}$ annas, neither more nor less.

Mr. J. Ramsay Scott: Where do you get that figure from?

Dr. Ziauddin Ahmad: May I remind Mr. Ramsay Scott that this figure was given to him and to me by Dr. Meek when both of us were present. Had the majority in the Select Committee proposed that they were not satisfied with the protection of Rs. 1-8-0 and they wanted a higher protection, then I would have said, please make further inquiries. If Government were satisfied that higher protection was needed, it would have been all right. But my strong objection is, that the arguments advanced by them for raising the duty from nine annas to twelve annas is open to very serious objection. The only argument adduced by them was a series of figures I published, with permission, in my note of dissent. Their whole argument comes to this, that the manufacturing cost per dozen comes to 62 annas,—that is admitted by the Tariff Board Report itself. Then the Board said that the sale price in 1932 was 38 annas. This is also accepted, but what we say is that this sale price might be correct in 1932, but considering the latest figures available, the c.i.f. was only 32·8 in Bengal. Therefore, it really means that on account of the further depreciation of Japanese currency, the c.i.f. sale price has come down from 38 to 32·8. Then, there is another objection to which I must allude. The Tariff Board made all their calculations for an average size of 32", but the figure given here is for an average size of 30" and not for 32", and, therefore, the c.i.f. price must necessarily be lower. They ought to have given figures for 32", and not for 30" as they have done. That is my first objection.

My second objection is, if you look to the figures of the Tariff Board and try to bring them up to date, then you should not do so only in respect of c.i.f. imported goods, but you should also bring up to date the cost of manufactured goods in India. We all know well that the cost of yarn has

diminished since 1932. I have got the figures of the price of yarn for some years.

In the year 1929-30, the price was Rs. 1-5-0.

In the year 1930-31, the price was Rs. 1-0-11.

In the year 1931-32, the price was Re. 0-15-7.

In the year 1932-33, the price was Re. 0-13-6.

Mr. Mody or Sir Cowasji will tell what the price of yarn today is. It is certainly not more than 8½ annas per pound. If the price of yarn goes down, then the price of one yard of cloth also goes down in sympathy. Therefore, what I want to point out is that the cost of manufacture has gone down, for two reasons. In the first place, the cost of yarn for making hosiery has gone down; secondly, the cost of labour also has gone down at the same time. The Tariff Board calculated labour to be Rs. 1-6-6 for manufacturing a dozen vests, but today for turning out the same quantity of vests it costs only Rs. 1-0-6. Of course, I don't expect the Government to accept the figures of A. B. or C. They ought to make independent inquiries themselves, they should keep their eyes and ears open, and after hearing everybody concerned, they should form their own just and impartial decision in the best interests of the country. Therefore, these two established facts nobody can deny, namely, that the wages have gone down, and the price of yarn also has gone down, and, therefore, the cost of manufacture must go down. My submission is, you should accept the figures and recommendations of the Tariff Board in toto, because that would be quite intelligible to me, but if you want to modify these figures in the light of the Report being two years old, then, I say, that you should modify both cost of manufacture and selling price. It is not correct to change the figures on one side and keep the figures on the other side the same as they are. The most reasonable thing would have been to study the whole position by appointing special officers for the purpose. This is a point which I wish to emphasise once more, that the Government ought to have accepted the recommendation of the Tariff Board, and if they believed that those recommendations were not correct, or if they believed that those recommendations were old, then they should have placed some officers on special duty and verified the facts, and then formed their own judgment. It is not right for the Government to form their opinion simply on the representations of A or B. They should have heard them and then made inquiries through their own officers and then form their own opinion.

Now, the only argument that was given for increasing the import duty from nine annas to twelve annas are the figures which I have quoted from the Report. In these figures, I have pointed out two difficulties. The first difficulty is that they have taken the average size to be 30", while the average size in all the calculations is 32", and, therefore, the figures must necessarily be defective. My second point is, they have reduced the c.i.f. prices from 1932 figures to 1934 figures, but they have not done so with regard to the manufacturing prices. Either leave them as they were, or bring them up to date in both cases. My third point is, that in the figures given on the basis of which we have increased the duty from nine annas to twelve annas, they have taken the average of the summer variety and they have excluded the average of the winter variety, and the results would have been different if they had taken the average of both. One thing which struck me particularly—perhaps my Honourable friend, Mr. Mody, may

[Dr. Ziauddin Ahmad.]

come forward with an explanation, but I give my own explanation—is that the c.i.f. price in Calcutta is 32.8 and the c.i.f. price in Bombay is 28.7. I thought that this difference is enormous. The c.i.f. prices may differ by half an anna or one anna in the case of the two places, but the difference is so very much in the present case, that all the hosiery might have been ordered to Bombay from where they could be sent to Calcutta, and it would have been cheaper. But the facts are these. In Bengal, people are accustomed to wearing buttoned vests, and, on Bombay side, from whom we get vests in Upper India, they do not wear buttoned vests. Buttoned vests cost a little more. Again, the vests they wear in Bengal are of longer size, and those used in Bombay and in Upper India are of shorter size. Therefore, the vests used in Bengal are different from the vests used in Bombay. Therefore, the calculation on these vests is very different. So I have reason to enquire on what basis the Tariff Board calculated the cost of manufacture. Did they calculate the cost of manufacture on the vests which are used in Bengal, or on the kind of vests which are used in Bombay and in Upper India? This is not known to us. It might be that the point might be clear in the evidence taken by the Tariff Board, but that evidence is not before us and we are left completely in the dark and we have to go on and trust what the Government tell us, because we have really got no figures, and whatever figures are given to us are figures which nobody will accept. Before I finish, I must tell my Honourable friend, the Commerce Member, that if any examinee had used these figures and these arguments in his examination paper, I, as his examiner, would have given him a zero (Laughter), and, if I consider the ability also, then the negative marks would not be too little. I should like to point out that we are really for protection, but it is a mistake to give more protection than is justified. The Tariff Board has recommended in a particular way, but you jump up and give protection of 12 annas. If somebody had made an enquiry and some definite conclusion had been arrived at on some proper data and figures, which unfortunately we do not know, then I would have accepted it, but, without any justification, to give more protection is really injurious to the industry. Here I shall quote one or two sentences from the speech of the Finance Member about over-protection. He said :

“If we keep it permanently in a hot-house which enables it to make even a 10 per cent profit without any great difficulty, then the industry will never improve itself. And that, Sir, is our position.”

Again, he said:

“I do put it to the House that if the efficiency of Indian industry is to be developed it will never succeed if the expectations of profit and the check on inefficiency are so high and so loose as what seems to be the case in most of the minds of those who have spoken on the subject.”

Mr. B. Das: He said that with reference to sugar particularly.

Dr. Ziauddin Ahmad: Whatever applies to the protection of one industry equally applies to the protection of any other industry. We have accepted protection, we do not object to it, but give adequate protection, the protection which has been recommended by the Tariff Board, and never give over-protection. If the Government decide to give over-protection, then, I venture to submit, they should give good reasons on the floor of this House. Unfortunately, neither in the Select Committee nor at any time,

here have they given any reasons to us in favour of increased protection. If any good arguments are given, I am willing to change my opinion, because I have no obstinate mind, and I am open to reason. There may be good reasons in the mind of the Commerce Member, but unfortunately those good reasons have not been given to us so far. Even if they are given later, I will accept them, but with a protest that they were not given when the Select Committee was sitting.

Before I finish, there is one little point to which I wish to draw attention. I have calculated the meaning and the amount of protection that we are giving. The protection of 12 annas which we are now proposing will cost to the Government revenue Rs. 15 lakhs a year, and that will be a present by the Government to the manufactures of this industry. In addition, the consumers will have to give a present of about Rs. 75 lakhs per annum to the manufacturers of hosiery. Therefore, the manufacturers will get a present—I shall not call it a present, but I call it a loan of Rs. 90 lakhs every year, and I hope that the Government will stand surety for these 90 lakhs a year that the tax-payer and the consumer will pay to this industry—that that amount will be returned to us after a certain number of years and Government should see that it is done and should give us a guarantee on the floor of this House. Before I sit down, I should like to appeal in the end that though we are in favour of protection, we are equally in favour of the protection of cottage industries. If, as a result of this measure, the mills capture the field of supply of the cottage industries, the very purpose of protection will be negated. Of course, the Tariff Board in this particular case has given us a hope that the cottage industry will not die out, but that it will flourish side by side with the mill industry. I have myself great doubts, but I hope that Government will watch the situation very carefully and see how it works out.

Finally, I submit that the only protection that we should give should be that recommended by the Tariff Board, and no additional protection should be given unless an independent enquiry has been made by a special officer of the Government. And, if we translate the Rs. 1-8-0 directly into a weight basis, it would work out to be $9\frac{3}{4}$ annas, or they may put it at nine annas or ten annas as the Commerce Member has said in his previous speech, and not more, and, if the Government want to increase the protection, they must substantiate their case by reasoned arguments and not by fallacious arguments, as I have said in my minute of dissent.

Sir Abdur Rahim: I feel justified at this stage of the debate in making just a few observations on this measure, as I think an important question of principle is involved in the way the Government have dealt with this case from time to time. After your ruling, the Government, I must admit, are within their right in bringing forward their present proposal, but, at the same time, I do think it is entirely against public interest that they should play with a question of this sort in the way they have done in this case. Last December, they brought a Bill dealing with hosiery by which they imposed certain specific duties, duties at the rate of Rs. 1-8-0 per dozen for undervests and ten annas for socks. Then, they presented their present Bill in which they proposed certain other duties. The Bill was referred to a Select Committee and, as a result of the deliberations of the Select Committee, they have now come forward with another proposal, that is to say, while, in their original Bill, they proposed nine annas per pound, they are now proposing twelve annas per pound. This is dealing with a question of economic importance in a way which is bound to unsettle the

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[Sir Abdur Rahim.]

trade in this country, with the result that people will not know whether they are to carry on a certain trade or not. All questions of protection are to be dealt with by a Tariff Board which we have instituted for that very purpose. Now, the Tariff Board did make proper inquiries and came to certain conclusions and the Government, apparently after making their own inquiries or after considering the question in their own way, came to the conclusion that the Tariff Board's recommendation should be accepted with very slight modification and they accepted it accordingly. The question was then presented again to this House by this Bill in a different form, that is to say, the duty was proposed in another form by weight and not by quantity. That proposal was in its essence not very different from the proposal of the Tariff Board, but when the matter was referred to the Select Committee, that Committee, without, I understand, any further investigation, excepting obtaining certain figures, increased the duty which they themselves had originally proposed from nine annas to twelve annas. Now, Sir, when I look at the Report of the Committee, what I find is this. There is only one paragraph dealing with it, and they say:

"In Item No. 158M, we have increased the duty on cotton knitted fabrics to 50 per cent *ad valorem* or 12 annas per pound and have abolished the distinction made in the Bill between fabrics of lighter and heavier weights."

The reason they give for the abolition of the distinction is this:

"We understand that at the moment there is practically no import of such goods."

I suppose they mean heavier weights. Then they say:

"But we consider that import should be definitely discouraged in view of the possibility of evading the protection to cotton hosiery by the manufacture in India of undervests, etc., from imported cotton knitted fabrics."

When we are adopting a criterion of weight, in that case to say that we will take no notice of the distinction between lighter and heavier weights seems to be an absolutely untenable position. You are going by the weight, and you say that it makes no difference whether the article is lighter or heavier. It is really an absolutely unintelligible and untenable position which the Government have taken up in this matter. If the weight is light, then, in that case, surely the incidence of taxation would work out at a higher figure than if the weight was heavy. To say, therefore, that we do not recognise any distinction between the lighter and the heavier weights is at least to me quite unintelligible. The reason they give is this. They will not recognise such distinctions, because, at the moment, there is practically no import of such goods. Does that mean that this Bill is only to operate for the moment? You are placing this measure on the Statute-book for five years. Surely there will be import of heavier articles. Then, why have you made no provision for such articles? That will surely make a difference in the incidence of taxation. Now, that is one argument. The next argument of theirs is that they want to prevent the evasion of this protective duty by the importers importing cotton knitted fabrics. I believe here they are alluding to what the Tariff Board said that there must be also a duty on knitted fabrics which are not made into garments and which the tailor can make here once the fabric is imported. I believe they are alluding to that there. If that is so, the proper course evidently was to have another item for knitted fabrics which are not made into undervests. Then, you could tax that by the weight. There would be no difficulty there, but to proceed as Government have done, to abolish the distinction between the

lighter and the heavier weights and to have the test of weight as the criterion of taxation, because the importers might import articles which are not made into garments, it seems to me there is nothing to justify a position of that sort. They have given no reasons excepting these. These are the two reasons that I can find in the Report for increasing the duty in the Select Committee by 25 per cent. I do not think I have misread the Report, but that is the only reason that I can find. I find that in the beginning of their Report they say that in making this Report they have tried to adjust the various interests affected. I have no doubt they have tried to do that in their own minds, but I think those who were not in the Select Committee are entitled to expect from the Select Committee something to indicate how the various interests have been taken into account, and how those interests have been affected.

Now, here the figures show that, as a matter of fact, the indigenous manufactures have not gone down; on the other hand, they have been going up steadily, though the recent rise may not have been as marked as in the previous years. If that is so, what is the obvious inference? It is that the industry has not suffered, at any rate to any appreciable extent, because, if the industry had appreciably suffered, the natural result would have been that the manufacture of hosiery in this country would have gone down. I know we are only dealing with hosiery manufactured by factories, that we have the figures only of factories manufacturing such articles; there is also the cottage industry which also produces undervests and socks, but we have not got the figures of such production, and, therefore, we are not able to deal with that in this Bill. Any way, there is nothing whatever to show that the industry as a whole has suffered in any way. If that is so, then as we represent the general public, one of our important duties here is to look after the interests of the consumers. The consumers, I take it, are the millions who will be affected by a measure of this sort (Hear, hear) by the imposition of such a duty as this, which, I believe, works out from something like 70 per cent or 80 per cent to about 125 per cent or more (*Dr. Ziauddin Ahmad*: 'Up to 273 per cent')—up to 273 per cent in some cases, and I accept that figure from my Honourable friend, *Dr. Ziauddin Ahmad*, unless he is contradicted. At any rate, there will be a considerable increase, as a consequence, in the price of these articles. And these articles, Sir, are used by whom? By the very poor people. And I do think it ought to be the special concern of the Government to see that these poor people—whose incomes have certainly not been increasing, in these hard days, but have been steadily declining during the last few years—do not suffer undue hardship. These are articles of clothing,—and these poor people haven't a large variety of articles of clothing to choose from: and, if the prices of these articles are put up to that extent—about, say, one hundred per cent on the average, then, surely, there must be some justification forthcoming for such a serious step. The only justification that could be pleaded would be the need of the industry. Now, if that need is not clearly proved, then the justification falls to the ground. I shall take it, Sir, that by means of this protective duty the hosiery industry will make larger profits, and, therefore, it will benefit those who are concerned in those industries. But that is not the object of our protective policy. It is not our object, and it is not our concern, merely to see that certain persons who may be making certain goods should make a certain amount of profits. That is not the point. We have got to take many other factors

[Sir Abdur Rahim.]

into account: and I do not find anything in the report of this Committee and if my Honourable friend, the Commerce Member, will pardon me, I did not find in the speeches that he delivered on the various occasions with regard to this measure and the previous measure, that these factors were considered. I did not find that he made out a good case at all, so far as the hosiery industry is concerned.

Now, the Tariff Board recommended Rs. 1-8-0 per dozen, after calculating the profit which the industry would make if their proposal was adopted. They allowed ten per cent for depreciation, they allowed six per cent, I think, for interest on working capital, and a profit on invested capital of eight per cent. Now, that would be the profit which the industry would secure for itself if the duty proposed by the Tariff Board was accepted. May I ask, if the Government really consider that this is an inadequate profit for any industry to make nowadays? Sir, their proposal was based on this calculation of profit and that works out, I believe, at nine annas per pound. Now, if that be so, where is the justification for increasing this duty? I have no doubt, everyone of us has received many representations from persons who purport to be engaged in manufacturing hosiery, and, similarly, we have received representations which purport to come from persons who are engaged in the import trade. I do not think that we can at all be safe in proceeding merely on representations made by the one side or the other. Naturally, those who are engaged in the industry would like to make more if they can: and if they can make more at the expense of the general public, I do not think that their conscience will give them much difficulty. (Laughter.) But if by a measure of this sort the Tariff Board has ensured to the industry a very fair margin of profit—I would call it really more than fair, eight per cent after meeting all your costs, and depreciation of machinery and also six per cent interest on working capital, this nowadays must be a very very handsome profit for any industry or for any business to make. I must say that it would require considerable justification on our part to depart from the proposal of the Tariff Board.

Now, let us take the case of socks. I find from the Report of the Tariff Board that there is only one factory, at any rate that is the factory they mention, somewhere in the Punjab which produces socks. Now, their turnover, I think, is something very small. It is 450 dozen pairs per month, whereas the imports from Japan and other countries come to 500,000 dozen pairs. If that is so, surely the Indian industry at present is not in a position to supply the needs of the country in that respect. How Government could think of protecting an industry like that, is very difficult to understand. What will be the result? If the bulk of the articles have to be imported and only a small proportion is produced in the country, then surely the prices will be regulated by the imported articles. Generally speaking, that must be the result. Then, it is the consumer that is to suffer. He has got to pay. Having regard to the nature of the articles and having regard to the fact that it is the poorest of the poor in this country that use these articles, both imported as well as those manufactured here, I do earnestly ask the Government to reconsider the position and not to go beyond nine annas per pound or Rs. 1-8-0 per dozen which was the recommendation of the Tariff Board and also their own original proposal.

The Honourable Sir Joseph Bhoré: Sir, with your permission, I will attempt to deal with the whole question of hosiery once for all, so that it may save the time of the House when we come to the consideration of the numerous other items dealing with the same question. Now, Sir, there has, I venture to think, been a great deal of misunderstanding and misapprehension in regard to this subject of hosiery; and I hope that I may be able to remove those misapprehensions by a plain statement of the facts of the case.

The Tariff Board, as everybody knows, recommended a rate of Rs. 1-8-0 a dozen and this rate was entered in our Safeguarding Bill which was brought before this House in December last. Now, during the course of the discussions on that Bill, Mr. Ghuznavi himself cried out very strongly against the imposition of a duty on a numerical basis. I think it will be within the recollection of this House how he waved in the face of this Assembly certain small sizes of hosiery articles and pointed to the inequity of imposing the same rate on these articles as on larger sized articles. Now, Sir, I should hate to think that he was simulating anger on that occasion; and, if he was not, then his anger is the best reply to the amendment which he is now bringing forward before this House. But, Sir, we did feel, after considering his case, that there was something in it. We felt that it was not perhaps quite right to have a single rate of duty levied on a numerical basis, and, therefore, we took the opportunity, when we were bringing in this protective measure, to substitute what we thought would meet with the general approval of Members of this House, and we inserted a rate of duty per pound instead of a rate per dozen. Now, the question will be raised: How did we get that figure of 9 annas per pound? We took, Sir, three sizes of vests of average quality, and, working on that basis, we arrived at a minimum rate of $9\frac{3}{4}$ annas a pound—my Honourable friend, Dr. Ziauddin Ahmad, is quite right there—and a maximum rate of something up to eleven annas a pound. Sir, I entered in the Bill the figure of 9 annas a pound knowing perfectly well that that was a contentious figure and that that figure was open to challenge, but I did it with the hope of putting down the duty as low as it possibly could be put down. But when I introduced the measure in this House, I made it perfectly clear that that figure of 9 annas was a tentative figure and that we would be open to conviction if it was proved to us that that figure required to be enhanced in the interests of the industry. My Honourable friend, Dr. Ziauddin Ahmad, was perfectly fair and honest. He read out that part of my speech, and I think it must be perfectly obvious to the House from what I then said that the figure of 9 annas was a tentative figure and that it was open to discussion and after re-examination possibly to enlargement later on. Now, Sir, that re-examination did take place. It took place in the Government of India; it also took place in the Select Committee. What we did feel was that it was unfair to take only one standard size. We felt that it was far more equitable to take a wide range—a range spreading from 26 inches to 34 inches, a range, mind you, which covers no less than 75 per cent. of the imports into this country. It was upon the basis of the prices for that wide range of articles that we arrived at a figure of 12 annas a pound. Dr. Ziauddin Ahmad is perfectly correct in the statement in his minute of dissent of the methods by which we arrived at the figure of 12 annas. I, Sir, am content to stand by the calculation as is shown there, despite the criticism of my Honourable friend. But I would go a little further.

[Sir Joseph Bhore.]

My Honourable friend, Dr. Ziauddin Ahmad, said that he was perfectly ready to admit that this industry needed protection. He was perfectly willing to give it the protection of Rs. 1-8-0 per dozen which was recommended by the Tariff Board, but he felt that if we improved upon that position, then he was not prepared to go with us. I hope, Sir, that I may be able to convince him from the Report of the Tariff Board itself that if they had recommended a duty on the basis of weight, it would have been practically the same duty as we are now proposing, namely, twelve annas per pound. The passage has been often quoted, and my Honourable friend himself quoted it. It is on page 179 of the Tariff Board's Report. They say:

"So, the measure of protection required in this case works out at Rs. 1-8-0 a dozen."

But if you want to substitute a weight basis for a numerical basis, then you have to proceed in the following way, and this is what they say:

"If the duty is levied on the basis of weight, an allowance will have to be made for the difference in weight between the comparable qualities of Indian and Japanese goods. We understand that the imported goods often weigh not more than two-thirds of the weight of the Indian manufactures with which they compete. Thus, Indian goods weighing three pounds a dozen have to compete with imported goods whose average weight will not be more than two pounds a dozen. To afford adequate protection, it will therefore be necessary to fix the duty per pound sufficiently high to cover this difference."

I think, Sir, if on that plan you work out the duty on a weight basis, you will find that there is very little difference between our twelve annas and the weight rate recommended by the Tariff Board in case we wished to impose a duty according to weight instead of according to number.

Dr. Ziauddin Ahmad: The Tariff Board, just above the passage which the Honourable Member quoted, says:

"We find that three pounds two ounces is practically equivalent to two pounds eight ounces."

The Tariff Board is definite as expressed by the words "we find"; but doubts are implied in the words *we understand*. The words *we understand* are used for the passage on which the Honourable Member bases his arguments.

The Honourable Sir Joseph Bhore: I do not read the passage in the sense in which my Honourable friend has read it. I accept the figures that they have given there, and I submit that our rate of duty varies practically not at all from the rate of duty calculated on their basis.

Sir Abdur Rahim: Then, why did you not put that figure in the original Bill?

The Honourable Sir Joseph Bhore: For the simple reason that I wished to put the duty as low as possible.

Maulvi Muhammad Shafee Daoodi: You should have stuck to it.

The Honourable Sir Joseph Bhore: I made it perfectly clear that I was prepared to revise it in the face of any strong argument that might be brought to bear on the other side. I made that perfectly clear and my Honourable friend, Dr. Ziauddin Ahmad, has read out the passage in which I said so.

Then, Sir, it has been pointed out that we are making no difference between vests of various weights. In that matter, we are by no means peculiar. My Honourable friend, Mr. Ghuznavi, must know that in Japan they do exactly what we are doing. They have only one rate of duty for all articles of hosiery; they make no distinction in regard to articles of various weights. The only difference is that, whereas we are proposing a rate of twelve annas a pound, their rate works out to something like twenty-one annas a pound.

There is only one other argument put forward by my Honourable friend, Dr. Ziauddin Ahmad, which I need deal with now. I think that was possibly the basis of his whole case. He said that the fair selling price upon which the Tariff Board proceeded was calculated in 1932 and you should, therefore, re-calculate the fair selling price on a 1934 basis. My reply to him is

Dr. Ziauddin Ahmad: You mean the manufacturing price.

The Honourable Sir Joseph Bore: Fair selling price which, of course, takes count of the cost of manufacture. My reply to that is that we cannot, when we are dealing with matters of protection, re-calculate the fair selling price month by month or year by year. The whole procedure of the Tariff Board all along has been to calculate one fair selling price and to assume that that fair selling price extends over the whole period of protection, because they have always assumed that if there are factors which bring down the fair selling cost during that period, there are almost certain to be factors on the other side raising the fair selling price. In regard to cost of labour, it may be perfectly true as my Honourable friend says that there are certain factors reducing the cost of labour. On the other hand, it is equally true that there are certain factors which are tending to increase the cost of labour. I need only point to the fact that my Honourable friend, Mr. Mody, has, in his minute of dissent, contended that the labour legislation, which this House is going to consider soon, will tend to increase very heavily the cost of production. I do wish the House to realise this that, in accepting this figure of twelve annas per pound, we are not, as far as I know, going beyond our original intention. Our original intention was to accept the rate of Rs. 1-8-0 a dozen, but we felt that in view of the arguments which were put forward by Honourable Members then, that that was perhaps not a wholly equitable way of taxing this commodity, we, therefore, substituted what we took to be a fair equivalent of Rs. 1-8-0 a dozen, and, Sir, I still believe that the figure of twelve annas per pound is, as far as it is possible for us to calculate, the fair equivalent of Rs. 1-8-0 per dozen. I must, therefore, oppose both these amendments and all the other amendments dealing with the same matter.

Dr. Ziauddin Ahmad: The Honourable Member has not given any answer to my argument why the c. i. f. price of the Tariff Board figures of 1932 was changed. Then, why have you not changed the manufacturing price in manufactured articles also to the figures of 1934 in view of the price of yarn and the cost of labour having both gone down.

The Honourable Sir Joseph Bore: I have already dealt with that question, and I said that it was not our habit, it was not our custom to change the fair selling price upon which protection is calculated. I have already pointed out that if there are factors lowering the fair selling price during the period of the protection, there are also almost certain to be factors on the other side tending to raise the cost of production.

Mr. M. Maswood Ahmad: We have decided just now that it is better that we vote on Mr. Ghuznavi's amendment. I, therefore, beg leave of the House to withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item, No. 1580, the following be substituted:

'1580, COTTON HOSIERY, the following, namely:

- | | | |
|---|----------------------|---|
| (a) Cotton undervests, knitted or woven | <i>Ad valorem</i> 25 | per cent. or one rupee and eight annas per dozen whichever is higher. |
| (b) Cotton socks or stockings | <i>Ad valorem</i> 25 | per cent. or eight annas per dozen pairs whichever is higher." |

The Assembly divided:

AYES—15.

Abdur Rahim, Sir.

Anklesaria, Mr. N. N.

Azhar Ali, Mr. Muhammad.

Ghuznavi, Mr. A. H.

Krishnamachariar, Raja Bahadur G.

Mahapatra, Mr. Sitakanta.

Maswood Ahmad, Mr. M.

Muazzam Sahib Bahadur, Mr. Muhammad.

Patil Rao Bahadur B. L.

Shafee Daoodi, Maulvi Muhammad.

Uppi Saheb Bahadur, Mr.

Wilayatullah, Khan Bahadur H. M.

Yakub, Sir Muhammad.

Yamin Khan, Mr. Muhammad.

Ziauddin Ahmad, Dr.

NOES—54.

Abdul Aziz, Khan Bahadur Mian.

Ahmad Nawaz Khan, Major Nawab.

Allah Buksh Khan Tiwana, Khan Bahadur Malik.

Bajpai, Mr. G. S.

Bhore, The Honourable Sir Joseph.

Chatarji, Mr. J. M.

Clow, Mr. A. G.

Cox, Mr. A. R.

Dalal, Dr. R. D.

Darwin, Mr. J. H.

Das, Mr. B.

Dillon, Mr. W.

Graham, Sir Lancelot.

Grantham, Mr. S. G.

Haig, The Honourable Sir Harry.

Hardy, Mr. G. S.

Hezlett, Mr. J.

Hudson, Sir Leslie.

Irwin, Mr. C. J.

Ishwarsingji, Nawab Naharsingji.

Jadhav, Mr. B. V.

James, Mr. F. E.

Jawahar Singh, Sardar Bahadur Sardar Sir.

Jehangir, Sir Cowasji.

Joshi, Mr. N. M.

Lahiri Chaudhury, Mr. D. K.

Lal Chand, Hony. Captain Rao Bahadur, Chaudhri

Lindsay, Sir Darcy.

Macmillan, Mr. A. M.

Metcalfe, Mr. H. A. F.

Millar, Mr. E. S.

Mitter, The Honourable Sir Brojendra.

Mody, Mr. H. P.

Morgan, Mr. G.

Mukharji, Mr. D. N.

Mukherjee, Rai Bahadur S. C.

Neogy, Mr. K. C.

Noyce, The Honourable Sir Frank.

O'Sullivan, Mr. D. N.

Rafiuiddin Ahmad, Khan Bahadur Maulvi.

Rajah, Rao Bahadur M. C.

Ramakrishna, Mr. V.

Ranga Iyer, Mr. C. S.

Rau, Mr. P. R.

Reddi, Mr. P. G.

Reddi, Mr. T. N. Ramakrishna.

Sarma, Mr. G. K. S.

Scott, Mr. J. Ramsay.

Sher Muhammad Khan Gakbar, Captain.

Sitaramaraju, Mr. B.

Sloan, Mr. T.

Talib Mehdi Khan, Nawab Major, Malik.

Thampan, Mr. K. P.

Tottenham, Mr. G. R. F.

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty): There are some other amendments relating to Item No. 1580, cotton hosiery. There has been a full discussion on cotton hosiery and the other amendments only vary the duties slightly. Honourable Members, in whose names these amendments stand, may, if they want, formally move them and they will be put to the vote, but there cannot be any detailed discussion.

Dr. Ziauddin Ahmad: Sir, one point is not clear, whether the protection is equivalent to nine annas or eight annas. It was mentioned incidentally, but we did not have a debate on this point.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member knows perfectly well the procedure. When the original question and amendments are proposed, the discussion proceeds both on the original motion and the amendments. Honourable Members had full opportunities of doing that, and surely Dr. Ziauddin Ahmad does not want another full-dress debate on cotton hosiery goods?

Maulvi Muhammad Shafee Daoodi: Sir, the point is that I have got an amendment which is not exactly the same as has been just now disposed of. My amendment is No. 2* in Late List No. 1. That is a different matter from the one we have now disposed of.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair was only talking of 1580, but what the Honourable Member is talking of is Item 158M. That is different. ;

Mr. A. H. Ghuznavi: Sir, I move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 1580, for the figures '12' the figure '9' be substituted and after the words 'per pound' the following be inserted:

'for goods weighing up to 3 pounds per dozen and an additional 6 annas per each successive pound beyond 3 pounds for goods weighing more than 3 pounds per dozen.' "

You have given a ruling, Sir, that we are not to make any further speeches, but merely move the amendments

Maulvi Muhammad Shafee Daoodi: This is a different matter: unless you make a speech, we cannot understand.

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member knows what the Chair has said.

The Honourable Sir Joseph Bore: Sir, the amendment, as it stands, as far as I understand it, has the effect of increasing the rate of duty, for it means nine annas per pound for the first three pounds, and then 15 annas for each succeeding pound—the words are "and an additional six annas", not "six annas" for each successive pound. The result will be this: take, for instance, an article which weighs, say, about seven pounds per dozen: it would have definitely the effect of increasing the duty.

*"That in the Schedule to the Bill, in Amendment No. 9 in the fourth column of the proposed Item No. 158M, for the figures '12' the figure '9' be substituted."

Mr. A. H. Ghuznavi: That is not the meaning: it is said here additional six annas for each successive pound beyond three pounds.

Mr. President (The Honourable Sir Shanmukham Chetty): Suppose a particular commodity weighs six pounds: it means nine annas for the first three pounds and for each successive pound 15 annas.

Mr. A. H. Ghuznavi: No, no.

Honourable Members: The words are "additional six annas".

Mr. A. H. Ghuznavi: The fourth pound will be six annas only. It must have been a printing mistake.

Mr. H. P. Mody: It must have been a thinking mistake.

Mr. President (The Honourable Sir Shanmukham Chetty): How does the Honourable Member want his amendment to read?

Mr. A. H. Ghuznavi: Nine annas a pound for the first three pounds, and from the fourth pound six annas a pound.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair wants to know how it reads. How does the Honourable Member want to move his amendment?

Mr. A. H. Ghuznavi: For goods weighing up to three pounds per dozen

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member can think over the matter, and, in the meantime, allow other Honourable Members to move their amendments.

Dr. Ziauddin Ahmad: Sir, I move:

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 1580, for the figures '12' the figure '9' be substituted."

We were just discussing certain questions

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member can tell a story; he cannot speak on the amendment.

Dr. Ziauddin Ahmad: I am telling a story of a certain Assembly, not this particular Assembly, and a certain Member really moved a motion there and unfortunately every single man in that House did not understand mathematics, and, instead of acknowledging their utter ignorance of mathematics, they began to abuse the one person who knew something about mathematics. ("Hear, hear" and "Laughter.") His mathematical proposition was that you charge a certain duty, say one rupee up to three pounds, and whenever the weight increases, then for every additional pound you charged eight annas: that was a simple proposition, but the whole House did not understand it. The story continues and says: if the weight of an article was five pounds, for the first three pounds the charge must be one rupee per pound !

Mr. President (The Honourable Sir Shanmukham Chetty): Stories must be relevant to the amendments. The Honourable Member has moved his amendment. The question is :

"That in the Schedule to the Bill, in Amendment No. 9, in the fourth column of the proposed Item No. 1580, for the figures '12' the figure '9' be substituted."

The motion was negatived.

Mr. M. Maswood Ahmad: Sir, I move :

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 1580, the following be substituted :

1580. COTTON HOSIERY, the following, namely :	<i>Ad valorem</i>	25 per cent. or 11 annas per pound, whichever is higher."
Cotton undervests, knitted or woven, and cotton socks or stockings.		

I do not want to make any speech. Only I regret that neither logic, nor reason, nor mathematics can satisfy the Treasury Benches and they are determined to pass in whatever manner they have brought this Bill from the Select Committee. As a personal explanation only, I want to read two sentences only from this book. At that time I had quoted from the new Report, now I quote from the old Report on page 204. Sir Frank Noyce in his Report has said—and I do not find anything in the minute of dissent against these two sentences from him I read from the original book. He said :

"It will, however, be obvious from the facts stated above that no special case can be made out for the protection of this industry on the ground of unfair competition from Japan since the bulk of Japanese output is not produced in cotton mills but in small factories in which the conditions of labour are in no way inferior in respect of the nature of work or of hours of similar labour in India."

These words are very important to be remembered by Honourable Members. It has been definitely stated that no case can be made out for protection of this industry. I quote that just in support of my view only: and I have quoted from the original book. Sir Frank Noyce's present interpretation goes against the wording of the Report to which he himself is a party. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is :

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 1580, the following be substituted :

1580. COTTON HOSIERY, the following, namely :	<i>Ad valorem</i>	25 per cent. or 11 annas per pound, whichever is higher."
Cotton undervests, knitted or woven, and cotton socks or stockings.		

The motion was negatived.

Mr. M. Maswood Ahmad: Sir, I beg to move:

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 1580, the following be substituted:

1580. COTTON HOSIERY, the following, namely: *Ad valorem* 25 per cent. or 11½ annas per pound, whichever is higher." Cotton undervests, knitted or woven, and cotton socks or stockings.

This is a very simple amendment, and I don't think I need make a long speech on this. There is a proverb amongst us which says:

"Darog go ra badar baboed rasaneed."

An Honourable Member: What do you mean by that?

Mr. M. Maswood Ahmad: The Doctor Saheb will translate it, and I leave it to him. The duty of 11½ annas which they have calculated is just in accordance with their calculations, but instead of 11½ annas they have increased the figure to 12 annas to make it a round sum. This is really very unjust on the part of the Government to raise the duty to make the figure a round sum. We, however, expect Government, whatever wrong calculations or whatever wrong methods they have adopted in their calculations, to stick to the exact figure.

Mr. President (The Honourable Sir Shanmukham Chetty): The question is:

"That in the Schedule to the Bill, in Amendment No. 9, for the proposed Item No. 1580, the following be substituted:

1580. COTTON HOSIERY, the following, namely: *Ad valorem* 25 per cent. or 11½ annas per pound, whichever is higher." Cotton undervests, knitted or woven, and cotton socks or stockings.

The motion was negatived.

STATEMENT OF BUSINESS.

The Honourable Sir Brojendra Mitter (Leader of the House): With your permission, Sir, I desire to make a statement as to the probable course of Government business in the week beginning Monday, the 16th.

The business left over from today's list has been placed first on the list for Monday and includes the Bill to continue the life of the Trade Disputes Act. Thereafter, motions will be made to take into consideration and pass the Sugar (Excise Duty) Bill, the Sugar-cane Bill and the Matches (Excise Duty) Bill. Arising out of the Matches (Excise Duty) Bill, motions will be made for leave to introduce and thereafter to take Recd. on... 23.4.64.

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into consideration and pass the Mechanical Lighters (Excise Duty) Bill. Copies of the Bill, as soon as received from the Press, will be exhibited at the Notice Office and will also be sent to Honourable Members.

It is hoped that the consideration of these measures will be concluded at the latest by Friday evening and that Saturday will be available for the discussion of the Resolution on the Road Fund. In addition to the above business, a motion will be made on Monday for the election of a Standing Committee on Roads, and at a convenient time leave will be asked to introduce a Bill to amend the Indian Army Act for certain purposes.

Mr. N. M. Joshi (Nominated Non-Official): May I know, Sir, what is the position of the Trade Disputes Bill?

Mr. President (The Honourable Sir Shanmukham Chetty): It is already on the agenda.

The Honourable Sir Brojendra Mitter: Today's agenda goes over.

Mr. N. M. Joshi: It will be taken after this Cotton Bill is over?

The Honourable Sir Brojendra Mitter: Yes.

The Assembly then adjourned till Eleven of the Clock on Monday, the 16th April, 1934.





